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LEGISLATIVE ASSEMBLY

Tuesday, 18th March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

EXCHANGE FOR MUTILATED ONE-RUPEE NOTES.

412. *Shaikh Rafiuddin Ahmad Siddiquee (a) Will the Honourable Member for Finance be pleased to state whether it is a fact that one rupee notes, when torn in use or besmeared with water, milk or oil, are not accepted by the Reserve Bank of India for exchange with new ones?

(b) If the reply to part (a) be in the negative, are Government prepared to enquire into the matter and relieve the public?

(c) Are Government aware that poor persons in *mofussil* districts are selling their torn or deteriorated (in use) one-rupee notes at eight annas or ten annas to brokers, while there is no branch of the Reserve Bank of India?

(d) Are Government prepared to instruct the branches of the Imperial Bank of India, Government Treasury Department, to exchange the one-rupee torn or deteriorated notes in order to save the poor public from loss and trouble?

The Honourable Sir Jeremy Raisman: (a) and (b) The Reserve Bank of India refunds, as of grace, the value of mutilated or imperfect one-rupee notes subject to the conditions and limitations prescribed in the Reserve Bank of India (Note Refund) Rules, 1935

(c) No

(d) This matter is receiving the consideration of Government

APPOINTMENTS OF ASSISTANTS, STENOGRAPHERS AND CLERKS IN THE DEFENCE DEPARTMENT

413. *Mr. H. M. Abdullah: Will the Defence Secretary please state

(a) how many temporary or officiating appointments in the grades of Assistant, Stenographer and Clerk have been made in the Defence Department since the 1st July, 1939,

(b) how many of the persons appointed in such vacancies were Hindus, and

(c) how many were Muslims?

Mr. G. M. G. Ogilvie: (a), (b) and (c) A statement is laid on the table

Statement referred to in reply to starred question No 413 of 18th March, 1941, showing the communal proportion in which temporary and officiating posts in the Defence Department were filled during the period, 1st July, 1939 to 28th February, 1941

Grade	Temporary				Officiating				Total
	Hindus	Muslims	Other minority com-munities	Total	Hindus	Muslims	Other minority com-munities		
Assistants	5	2		7	5	5		3	13
Stenogra- phers					4	2	1		7
Clerks	17	7	5	29	32	13	9		54

APPOINTMENTS OF ASSISTANTS, STENOGRAPHERS AND CLERKS IN THE FINANCE DEPARTMENT

414. *Mr. H. M. Abdullah: Will the Honourable the Finance Member please state

- (a) how many temporary or officiating appointments in the grades of Assistant, Stenographer and Clerk have been made in the Department of Finance since the 1st July, 1939,
- (b) how many of the persons appointed in such vacancies were Hindus, and
- (c) how many were Muslims?

The Honourable Sir Jeremy Raisman: (a) (b) and (c) A statement is placed on the table

Statement		
(a) Assistants		4
Clerks		32
Stenographers		3
(b) and (c)		
	Hindus	Muslims
Assistants	4	
Clerks	22	7
Stenographers	2	

Note—These figures do not include purely stop gap arrangements extending to one month or less. Moreover, of the figures given, all four posts of Assistant as well as three clerkships were filled by promotion. The residue of the figures represent the appointments made by direct recruitment and conform as near as is possible to the communal proportions laid down in the Home Department Resolution No F-14/17-B /33, dated the 4th July 1934.

NON-ELIGIBILITY OF INDIAN WARRANT OFFICERS OF THE INDIAN ARMY ORDNANCE CORPS FOR EMERGENCY COMMISSIONS.

415. *Bhai Parma Nand: With reference to the Northern Command Training Pamphlet No 3 for the Training Year 1st April, 1940 to 31st March, 1941, viz., "if Commanding Officers had exercised their power to the best advantage by selecting and recommending all suitable candidates, irrespective of the immediate necessities of their particular units * * * Army Council letters were frequently sent to Commandants pointing out the urgent necessity and the importance of recommending suitable candidates from the ranks of units but the temptation to keep the best men back has been a serious handicap throughout the war", will the Defence Secretary please state

- (a) if it is a fact that Indian Warrant Officers of the Indian Army Ordnance Corps are not allowed to apply for Emergency Commissions, if so, why, and
- (b) if it is a fact that all serving soldiers with requisite qualifications are eligible for the Emergency Commissions, if so, the reasons for not allowing the Indian Warrant Officers to apply for them?

Mr. C. M. G. Ogilvie: (a) and (b) All serving soldiers with requisite qualifications are eligible for emergency commissions and their applications are entertained. But the efficiency of the service as a whole must be the primary consideration and since the duties of Indian Warrant Officers of the Indian Army Ordnance Corps are specialised it is not possible to release them for commissions until equally well trained men are ready to take their places.

REORGANISATION OF THE MINISTERIAL STAFF OF THE GOVERNMENT OF INDIA SECRETARIAT AND THIRD DIVISION CLERKS

416. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: (a) Will the Honourable the Home Member be pleased to state whether Government issued certain orders in December 1939 for the reorganisation of the ministerial staff of the Government of India Secretariat into two main grades of Assistants, and Clerks and abolition of the Second Division?

(b) Will the Honourable Member please state whether, according to those orders Third Division clerks who had not officiated in a higher Division for at least one year on 15th December, 1939, will never be considered for promotion to higher grades, however meritorious their services may be?

(c) Will he please state whether before the issue of those orders, all Third Division clerks who could show their merit and capacity, were eligible for promotion to Second Division in 20 per cent vacancies and then to the First Division in 50 per cent vacancies?

(d) Were these clerks given any warning before joining the Third Division that they will not be eligible for promotion to Second or Higher Divisions?

(e) Do most of these Third Division clerks possess high academic qualifications and university degrees, and have any of them shown zeal and capacity for doing the work of Assistants?

(f) What are the reasons for depriving them of promotion for all time, regardless of their educational attainments and merit?

(g) Is it a fact that the condition of officiating in Second Division depends on the occurrence of vacancies and Third Division clerks in some Departments had better chances of officiating in higher grades than in others?

(h) Are Government prepared to withdraw the condition of one year's officiating service in higher Divisions before 15th December, 1939 for promotion in future and lay down that all Third Division clerks who had not been previously warned shall be eligible for promotion to First Division if they show merit and capacity?

The Honourable Sir Reginald Maxwell: (a), (b) and (c) Yes

(d) Candidates appointed on the results of the examinations held in 1938 onwards were given the warning before their appointment

(e) There may be some possessing high academic qualifications and possibly there are some clerks capable of doing Assistants work

(f) The routine grade is intended mainly for routine duties and the work expected of a new-style Assistant recruited under the reorganisation scheme is of a higher standard

(g) This is correct

(h) The question whether and if so in what manner the rule relating to the promotion of Third Division clerks should be amended is at present under consideration

DISADVANTAGEOUS POSITION OF THIRD DIVISION CLERKS IN THE GOVERNMENT OF INDIA SECRETARIAT IN COMPARISON WITH THOSE IN THE ATTACHED OFFICES

417 *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Home Member be pleased to state

(a) whether Third Division clerks employed in Attached Offices will in future continue to be eligible for promotion to Second Division,

(b) whether Third Division clerks posted to Secretariat and Attached Offices had hitherto to pass the same competitive examination and in many cases candidates posted to Secretariat obtained higher positions than those posted to Attached Offices,

(c) whether the orders of December 1939 have placed the candidates appointed to the Secretariat in a position of definite disadvantage in comparison with those posted to Attached Offices, and have caused considerable dissatisfaction among the former, and

- (d) whether candidates posted to Secretariat and Attached Offices had hitherto no choice with regard to their posting?

The Honourable Sir Reginald Maxwell: (a) Yes, so long as the present rules are in force. The reorganisation scheme does not apply to Attached Offices.

(b) and (d) Yes

(c) A representation on the subject has been received from the Imperial Secretariat Association and is under consideration.

REORGANISATION OF THE MINISTERIAL STAFF OF THE GOVERNMENT OF INDIA SECRETARIAT AND THIRD DIVISION CLERKS

418 *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the House Member be pleased to lay on the table a statement showing, in respect of permanent and quasi-permanent Third Division clerks employed in the Government of India Secretariat on 15th December, 1939, separately for Muslims and non-Muslims—

- (a) the number of clerks who had officiated for one year or more in higher Divisions and those who had officiated for less than a year or had not officiated at all;
- (b) the number of those who possess a University Degree; and
- (c) whether a larger proportion of Muslims than non-Muslims has been debarred from future promotion as compared with their numbers as a result of the re-organisation of the Secretariat?

The Honourable Sir Reginald Maxwell: The collection of the information asked for would involve an expenditure of time and labour incommensurate with the value of the results. The reorganisation scheme applies equally to Muslims and non-Muslims.

PUBLICATION IN INDIA OF CASUALTY LISTS IN RESPECT OF INDIA'S DEFENCE FORCES, ETC

419. *Sir F. E. James: Will the Defence Secretary be pleased to state what arrangements are made for the publication in India of casualty lists (a) in respect of India's defence forces, whether overseas or in India, and (b) in respect of persons recruited in India and serving in other branches of the Commonwealth defence forces?

Mr. C. M. G. Ogilvie. (a) Lists of casualties in units of the Defence Forces serving overseas are sent to the Press for publication in India as soon as the next-of-kin have been informed. Casualties due to enemy action of any kind within the limits of India will also be published in the same way.

(b) No special arrangements are made for publishing in India casualty lists issued by the Admiralty, Air Ministry and War Office. When these lists are received in India they are displayed in the Government of India Press Room for the information of press representatives and it is possible for the latter to draw the attention of the public to any name which is known to be connected with India.

Sir F. E. James: Arising out of the answer to part (a) of my question, would the Honourable Member consider the advisability of either publishing these lists in the official Gazette or sending them to the various district headquarters throughout the country?

Mr. C. M. G. Oglvie: Yes, Sir I should be very glad to do so

Sir F. E. James: With regard to the answer to part (b), is the Honourable Member aware that the procedure at present followed is not altogether satisfactory, as relations may be without any knowledge of casualties in their families. I am not speaking about the next-of-kin in this country—for a good long time, and might I suggest here also that some further steps should be taken to make available in the district headquarters these lists to which he referred?

Mr. C. M. G. Oglvie: Yes, Sir, I will gladly consider that also

LATE-SITTING OF THE CLERICAL STAFF IN THE BRANCHES OF THE IMPERIAL BANK OF INDIA, AMBALA CITY, AND OTHER PLACES IN THE PUNJAB

420. *Maulana Zafar Ali Khan (on behalf of Sardar Sant Singh) Will the Honourable the Finance Member be pleased to state

- (a) if it is true that the general practice in the Branches of the Imperial Bank of India, Amritsar City, and certain other places in the Punjab has been to make the members of the clerical staff to sit and work unusually late hours, invariably up to 8 or 9 p.m. and occasionally up to 11 p.m.
- (b) if the reply to part (a) be in the negative, the monthly electric charges on account of the electricity consumed during the winter months October 1940 to February, 1941,
- (c) whether the said monthly charges disclose late-sitting of the clerical staff and
- (d) what action, if any, Government propose to take in the matter?

The Honourable Sir Jeremy Raisman: Government have nothing to do with the domestic arrangements of the Imperial Bank of India

DESIRABILITY OF THE APPLICATION OF THE PUNJAB TRADE EMPLOYEES ACT TO ALL BRANCHES OF THE IMPERIAL BANK OF INDIA IN THE PUNJAB

421. *Maulana Zafar Ali Khan (on behalf of Sardar Sant Singh) Will the Honourable the Finance Member be pleased to state

- (a) if any correspondence has passed between him and the Punjab Government as regards the application of the recently passed legislation, namely, the Punjab Trade Employees Act, 1940, to all Branches of the Imperial Bank of India, in the Punjab,
- (b) if so, the result thereof, and
- (c) if no such correspondence has yet passed, whether he is prepared to suggest to the Punjab Government to apply the said Act to all Branches of the Imperial Bank in the Punjab?

The Honourable Sir Jeremy Raisman: (a) and (c) No
(b) Does not arise

EXPANSION OF SHIPBUILDING PROGRAMME IN INDIA

†422. *Sir Abdul Halim Ghuznavi: (a) With reference to the observation in the speech of the Honourable the Finance Member in presenting his Annual Budget that "the programme of shipbuilding in India has been further expanded", will the Defence Secretary be pleased to state what the original programme of shipbuilding in India was?

(b) How many ships were ordered to be built in India and what was their tonnage, and with whom were the orders for building such ships placed and with what conditions?

(c) How far has the original programme been further expanded, as stated by the Honourable the Finance Member, and how many more ships have been ordered to be built and with whom have these further orders been placed and at what rates?

Mr. C. M. G. Ogilvie: (a), (b) and (c) It would not be in the public interest to give the Honourable Member the exact figures, but I may say that we have ordered ships to be built in India up to the limit of the shipbuilding capacity of the country.

THE PROTECTIVE DUTIES CONTINUATION BILL.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Sir I move for leave to introduce a Bill to extend the date up to which certain duties characterised as protective in the First Schedule to the Indian Tariff Act 1934, shall have effect.

Mr. President (The Honourable Sir Abdur Rahim) The question is "That leave be granted to introduce a Bill to extend the date up to which certain duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect."

The motion was adopted.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I introduce the Bill.

THE INDIAN TARIFF (AMENDMENT) BILL.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Sir, I move for leave to introduce a Bill further to amend the Indian Tariff Act, 1934.

Mr. President (The Honourable Sir Abdur Rahim) The question is "That leave be granted to introduce a Bill further to amend the Indian Tariff Act, 1934."

The motion was adopted.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I introduce the Bill.

[†]Answer to this question laid on the table the questioner being absent.

THE INDIAN FINANCE BILL—*contd*

Mr. President (The Honourable Sir Abdul Rahum) The House will now resume consideration of the Indian Finance Bill Sir F E James

Sir F. E. James (Madras European) Sir, just before the House adjourned for the day yesterday I had read out to Honourable Members quotations from two letters that had recently been received from the home front I read out these quotations, not with the object of eliciting anybody's sympathy for the people of my country but with the object of illustrating the present spirit and temper of the British people Sympathy, I am sure, is there I do not need to take any action to elicit what is already there This spirit is best described I think, in words which were used by President Roosevelt himself in his historic speech, when he remarked that in these days "Britain is blessed with a brilliant and great leader, Mr Winston Churchill, but nobody knows better than Mr Churchill himself that it is not alone his sterling worth and valour of deeds that give the British their superb morale, the essence of that morale is in the masses of the plain people who are completely clear about the essential fact of this war, viz., that they would rather die free than live as slaves" He went on to say that today the British people are fighting in the front line of civilization, for the freedom of the people of this country as well as the freedom of the people of their own country I have had a feeling during these debates that, while we have had a great deal to say about "interests" and jobs, we have had little to say about the really great issues that are today being fought out I am sure from all the information that one receives that, when they have time, the British people think of India's growing war effort with tremendous gratitude They think of India's political attitude with much puzzlement In this country everyone says "Resolve the deadlock do something Those who claimed the right of self-determination, now ask Britain to impose a settlement Those who hindered a settlement in the past, now threaten those who wish to help In his concluding speech of the Bombay Conference, Sir Tej Bahadur Sapru said what, to my mind, is a very true thing It is impossible to find a solution of these difficult questions by press statements and by long range speeches, and he argued that, therefore, there should be a delegation from the United Kingdom to this country in order that personal contact might be made between representatives of Britain and representatives of India I agree that contact between India and Britain of a personal character is necessary, but I prefer to see that contact made not here but in the United Kingdom I would throw out this suggestion, that as soon as possible personal contact should be established between the Government of India and His Majesty's Government in London There is in England today a new background that it is extremely difficult for anyone who has been in India even for twelve months fully to appreciate and understand Why should not the Government of India send someone of undoubted authority, of undoubted patriotism and integrity with a capacity for presenting an objective view of this country and its problems and enjoying the confidence of the British people? Why should not the Government of India send someone from India to London? If you were to ask me who possesses those qualifications, I would say immediately the Leader of the House President Roosevelt has felt it necessary to send personal emissaries from time to time so that

he might be acquainted with the situation in Europe. The Dominions have sent their Prime Ministers. Even the *Statesman* has sent Mr Arthur Moore. Why should not the Government of India or the Governor General send the Vice-President of the Executive Council, not only to the United Kingdom but also to our latest and greatest Ally, the United States of America? Having contact in these matters is far better than cabled messages. With all the good-will in the world, speeches made today by the Secretary of State in the background of the United Kingdom are misunderstood in this country. I would therefore, suggest for the consideration of those whose business it would be to make such a move, that the establishment of this direct personal contact with the members of His Majesty's Government and the British people by a person in authority could not do anything but good in view of the rapidly changing circumstances in Europe. Meantime, as long as the deadlock remains and no one regrets it more than I do, it is the duty of all to carry on using every opportunity to be guided by and to educate Indian public opinion.

My Honourable friend, Sir Ramaswami Mudaliar yesterday paid a tribute to the staff of his Department. As one who frequently has to walk the corridors of the Secretariat and worry members of his and other staffs, I would like to echo what he said. They are carrying on under very great difficulties. Even the Members of Council are carrying on with the sword of political Democles hanging over their heads! Yet it is possible, even under existing circumstances, to mobilise what is already present in the country, and that is a surprising amount of support even for the present Executive. The Commander-in-Chief has only been in office a short time, yet already by his speeches and by those imaginative touches that are so well understood here, he has won for himself and his Department a remarkable degree of support and interest. If it is necessary that the existing Executive Council should be strengthened in order that its Members might be released from some of the heavy burdens and, indeed, released from the tyranny of desk and Committee, well and good. The people of the country would be glad to see more of them outside Delhi explaining policies, taking them into their confidence and giving the kind of lead that was given by my Honourable friend, the Commerce Member, in his speech yesterday. That does mean that the main task of everyone is now to get on with this unpleasant job. If there is any way in which the political doubts of the people of this country can be resolved, then that way should certainly be taken. I myself would like to see the establishment of the War Advisory Council which was proposed in His Majesty's Government's declaration of the 8th of August, 1940 for in that way not only would a large section of public opinion from the Provinces and the Indian States be acquainted with some of the activities of the Government of India in pursuance of their war efforts, but it would also bring together the States and the Provinces at a time when disintegrating tendencies in this country appear to be growing.

Sir, as I said yesterday, on its political side the problems of this country are undoubtedly baffling. As far as the war is concerned, there is only one task and that is to get on with the job. I believe that never in all the chequered history of the Commonwealth of British Nations or of those other parts of the Empire which are now helping magnificently in the Empire war effort, never in all its chequered history has any man found a job which is so well worth doing. Therefore, in pursuance of that task I commend this Finance Bill to the support of every Party in this House.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions Muham-madan Rural) Sir, my Honourable friend, Sir F E James, in his speech referred to certain questions with which we have our full sympathy. No doubt the people in Great Britain are offering heroic defence, and we assure them that they have got our sympathy and fullest support. My Honourable friend yesterday asked my opinion about the Bombay Conference. I would like just to remind him about the challenge of the cricket match sent by Winchester to Eton College, and the Eton replied "We know Harrow, we have heard of Rugby, but we do not know who you are." That is the sort of reply which he will get from me. We know the Congress, we have heard of the other minorities and depressed classes, and so on, but we do not know what this Bombay Conference is.

I shall now come to the speeches made by some other Honourable Members. The other day I put a very innocent supplementary question about Meek-Gregory report, and I asked Mr Pillay whether there is any portion in the report which a journalist could not write in the Library of the House, and he said, yes. I dropped the matter then, because I knew that in that report there is an appendix which gives a list of the names of firms and associations and individuals interviewed. Therefore, nobody can write "interviews" unless he is face to face with the man interviewed. I, therefore, admitted the reply "yes" and I stopped there. Unfortunately, later on a Press representative came to interview me and he asked me as to why I suggested that the report could be written in the Library of the House. He said "Why not the Willingdon Park or at one of the Lodi's Tombs in it?" I asked him, why? He said that there was nothing in that report where the reference to the books was necessary, and he therefore, thought that the tomb was a much better place than the Library of the House. He suggested a tomb for two reasons. In the first place, you will have more concentration, and, in the second place, you will have inspiration, not only from this side, but also from the other side of the world. Never mind I thought the story ended there. But the reference by my Honourable friend the Commerce Member, again to this report and especially to mea, brought me back to this report, and I read carefully the portion about mea. I thought any person of common sense would have just said the same thing as described in the report. Everybody knows that mea is required for war purposes, it is necessary for many things and, therefore, any country which is engaged in war programme must have mea, to a greater and greater extent. So there is nothing in the report which any man with common sense could not have imagined. I leave this Meek Gregory report by simply adding this sentence that when I asked the Honourable the Commerce Member whether he would give a day to discuss this report, he readily refused because he found it was a waste of time of the House to discuss the report here.

Now, I come to one or two questions raised by some Honourable Members. My Honourable friend Mr Ramsay Scott, referred to the difficulties of traffic, and he urged that the restrictions now laid on behalf of road traffic should be removed. I entirely sympathise with him, and I wish the Honourable Member for Communications would have replied in the end, I received the other day a strong representation from the merchants of Gulburga. They said that the goods were lying there for want of wagons to load them to Bombay. I sent that letter to the General Manager of the Great Indian Peninsula Railway. He replied that the difficulties in the supply of wagons will shortly be removed. That is, however poor

consolation In these days, it is not desirable to impose restrictions in matters of road traffic They should as far as possible be removed

The next thing is the remark cautiously made, or perhaps deliberately made, by Mr Husenbhni Abdullabhai Laljee, and I then suggested that Mr Sheehy should take note of what the *sahukars* are doing They will come forward with definite proposals of the kind that all the transaction which these *sahukars* keep must be deposited either with the income-tax authorities or with the registration department, so that they may be useful to income-tax officers

Now, I come to my Honourable friend, Sir H P Mody Just when I was coming in, I was handed over a pamphlet written by Sir H P Mody the title of which says *Theory of Negative Taxation*, by Colonel Sir Homi Mody

Maulana Zafar Ali Khan (East Central Punjab Muhammadan) Does "Colonel" begin with a "C" or a "K"?

Dr Sir Ziauddin Ahmad: It begins with a "K" all right He calls it the theory of negative taxation Here he discusses what he said on the floor of the House all about negative taxation First about Income-tax Reply "No" Direct taxes are not very popular, so, no direct taxes What about excise duties? That will kill the industries, so no excise duty at all What about import and export duties? He says, the shipping difficulties are there and countries after countries are becoming belligerent, and so, no export or import duties Then, what about transportation tax? No, it falls twice over the industries, once when they take the material to the factory, and then when they send finished goods Is there any tax which he would recommend? The only tax which he recommended is the poll tax Then, people ask, what is meant by poll tax? I can define, according to this "Negative Theory of Taxation", what a poll tax is not I cannot define what a poll tax is Any definition which you can give for tax, it is not a poll tax, so that poll tax is anything different from any definition which you can possibly give I have heard of this thing in the theory of numbers You can imagine a number other than what you can think of In the negative theory of taxation, it is possible, my Honourable friend knows how this word came into existence When the author, Sir Homi Mody, was writing this book, he said that only two are familiar with this theory, that is God and himself But now he will find that God alone is familiar with what he wrote and nobody else is familiar with that, because this book contains only blank pages

Now, I come to some of the difficulties which Sir Cowasji Jehangir raised There are two different views about this theory of taxation Naturally the capitalists do not desire any taxation at all Labour, on the other hand, presses for more and more taxes I suppose some of us must have seen an article on the labour demand They say when you can have capitation of labour, why not capitation of capital If you compel all labourers to work, why not compel all the capitalists to give their capital for the benefit of the State My Honourable friend, the Finance Member, gave a dissertation last year on social justice in the matter of taxation I was sorry to miss those descriptions in the present speech of the Finance Member, because probably he is reserving it for his book which I hope he will

[Dr Sir Ziauddin Ahmad]

write, namely, Social Justice in Taxation. So really in the middle of these two contradictory theories something has to be devised between labour and capital on the principle of social justice.

Now, as regards Sir Cowasji Jehangir, there are two points which he made, and I should like to express my own views. The first was that the increased expenditure on war should be paid by means of loans.

Sir Cowasji Jehangir (Bombay City—Non-Moslem Urban) Not all, a proper proportion.

Dr Sir Ziauddin Ahmad: Yes, a fixed proportion, and that proportion should approximately be the same as the proportion in the United Kingdom. As regards this point, I should like to mention that the difficulty in maintaining a proportion is this that our taxing capacity is a fixed quantity and cannot increase very much, but the war expenditure is an unknown quantity, and, therefore, if war expenditure continues to increase further and further, then the proportion of loan will go on rising more and more. Suppose our income is 100 and our expenditure is also 100, we are well off. Suppose our maximum taxing capacity is 20 more. So long as our war expenditure rises to 10, I should say that all the 10 should be collected by taxation. If it rises to 20, I should say that 12 should be raised by taxes and 8 by loan. If it goes up to 40, there will be more of loans and less of taxes. At the same time it is to be remembered that the taxing capacity will also increase with the increase of the expenditure involved. That is a point which is very often missed. With the increase of national expenditure, national income also increases and with the increase of national income the taxing capacity also increases. My Honourable friend knows that at present the Supply Department is spending about 6 crores every month or 75 crores a year on purchases in India. This sum of 75 crores per annum will be distributed among the various people, and the national wealth will, therefore, increase, and consequently the taxing capacity of the people will also increase up to a certain stage. Therefore, I entirely agree that we should pay part of it by loan and part of it by means of taxes, but this proportion will be according to the money which we require for war purposes, and the greater amount will be met by loan if the money goes on increasing indefinitely as it has gone on in the case of the United Kingdom.

The second point made by Sir Cowasji Jehangir was about the 23 crores and where they have disappeared. This reminds me of a story about the accountant of a Sikh Sardar.—I am sorry, my Honourable friend, Sardar Sant Singh is not here. This Sardar brought plenty of money by loot, and, as he did not know accounting, he employed another person to count his loot. Then, the man sat down and went on counting,—and here I will give it in Urdu as I cannot express it very well in English.

"Um aur atri satra aur sat chahris—Chahris ke char aur hasil lage do."

Nine plus eight is 17, and 17 plus 7 is 24, of which 4 comes down here and 2 is taken to the other column. The Sardar thought that the man was stealing those two rupees and tried to kill him. The man was killed for stealing rupees two, and the Sardar sent for another accountant. He did the same and the Sardar asked him where those two rupees went to. The man said "I have kept those two rupees for your pudding which

you require in the evening", and the Sardar was satisfied. So I may tell my Honourable friend, Sir Cowasji Jehangir, that these 23 crores, according to the second account of the Sardar, has been given away for the encouragement of the smaller industries. My Honourable friend, Sir Raghavendra Rau, the other day drew his attention to certain withdrawals from these figures. The figures are given on page 30 of the explanatory memorandum on the budget as to the withdrawal from the postal cash certificate fund and the postal savings bank. You may take it that the major portion of the amount which these people have drawn has gone for the development of smaller industries. At present there is a good deal of encouragement for the smaller industries and the money drawn by these small investors in postal cash certificates and postal savings bank has really gone for the development of small industries. That explains his point about the 23 crores.

I now come to a few financial slogans. The first slogan was raised by Sir Cowasji Jehangir why pay your debts during the war. The second was raised by Mr Chapman-Mortimer, and that was, why postpone the evil day. The third was raised by Sir Abdul Halim Ghuznavi, *viz.*, why not pay the entire amount by means of loan. The fourth was raised by Sir F. E. James, *viz.*, heaviest taxation. The fifth was that of Sir Cowasji Jehangir, *viz.*, a proportion between taxes and loans as in the United Kingdom. To these five I will add a slogan of my own, and that is, we should pay what we can pay and leave the balance to future generations. I think that is the principle on which we should work out financial policy. I should very much like, if I have time, to develop a scientific theory of taxation, and I think it is very desirable that we ought to determine the maximum taxing capacity of India in the present conditions. Of course if the war conditions continue, the national income will increase and the taxing capacity will also increase in a certain proportion. In calculating the taxable capacity, we ought to remember one point which is often overlooked by the Treasury Benches, and that is that in India in addition to all these other taxes that we pay, there is an invisible tax levied on all Indians, and that is to support all the unemployed persons by those who are employed. Every one of us has this experience that any one having an income has to support a very large family of relatives, nephews and others, who in the circumstances of European countries are not so supported. I tried to find out what is the percentage of this invisible taxation about four years ago and raised this question in the House, and some people said it ranged from five annas to ten annas in the rupee—I think it was Dr Deshmukh who said he paid as much as ten annas in the rupee in supporting other people, but I think five annas may be taken as a fair average which every Indian has to pay in this invisible taxation. Therefore, in determining the taxable capacity of Indians, it is very desirable that you should take into account this invisible tax which every Indian has to pay, and then determine our taxing capacity scientifically.

I now have a slight digression—it is a rather important point and has great bearing on the future financial policy of the Government. The Finance Member has issued this one rupee note without a paper currency reserve. I objected, because I thought it was contrary to the established principle of political economy. But he replied—without perhaps thinking very carefully—that the credit of the Government is behind the note. He may have said those words deliberately or innocently, but they go a long way in criticising the entire theory of the Paper Currency Reserve.

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What was the idea of this Paper Currency Reserve? First, the standard was gold and silver. When people could not carry rupees and pounds in their pockets, they issued paper notes which were just like *hundis*. When these notes were issued, they had so many pounds in reserve so that when the *hundis* were presented for encashment, these pounds could be paid. The original idea, therefore, was to keep gold and silver ready to pay when notes were presented. But may I ask the Finance Member now whether he will pay me in gold if I present a fifteen rupee note in exchange? He will not, because we are off the gold standard. If I am not to be paid in gold for the notes I give, what is the use of keeping up this Paper Currency Reserve in gold? For whom is this gold hoarded? It was originally kept to maintain the credit of these currency notes. But, as he said, the real credit of these currency notes now is the credit of the Government, and not the gold or money you have in your currency reserve. We understand very well that if the credit of the Government disappears, then the gold would have disappeared long before that, so that the presence of the gold is no guarantee and no credit for the security of these paper notes. The credit of the Government is the real credit for the currency of the country, and, I ask, what is the object of blocking so much gold and keeping it in certain chests or vaults and not put it into circulation? The whole theory of the Paper Currency Reserve ought to be revised. But we ought to keep one important point in mind, and that is our foreign obligation. We have to pay Rs 50 crores every year to meet our foreign obligations, and if we include the money that private individuals have to send, it may go up to 70 crores. We must, therefore, keep a credit in sterling at least of Rs 100 crores to meet all our liability in sterling. Therefore, the only credit which is necessary for backing our paper currency is a credit of at least 100 crores in the United Kingdom, so that our credit outside may not disappear. Our credit inside the country depends upon the stability of the Government, upon the credit of the Government, but our credit outside India will depend upon whether we are in a position to pay our liabilities and commitments, and if we keep Rs 100 crores in reserve, it would be all right. From now onwards, I am sure that this theory of political economy about Paper Currency Reserve, which has got the benediction of so many years behind it, will have to be altered. We have altered a number of theories in the past, which have done a great deal of mischief, and I think we should alter this theory of the Paper Currency Reserve. There are many examples—in Germany, France and other countries, they have not got a Paper Currency Reserve—they have what is called a manipulated currency. We have already changed the old theory that the prosperity of the country depends to a large extent upon the favourable balance of trade. It has disappeared, because nobody believes in it now. Then we believed that the prosperity of a country depended to a very large extent upon the stability of exchange. Even that theory is gone during the last few years, and now we have come to the new theory about the stability of prices. We have seen theories of political economy change day after day, and I think this theory of paper currency will also change.

There is another digression that I wish to make before I go back to my main points. I drew the attention of the Honourable the Finance Member the other day about the desirability of having some kind of philosophical foundation for political economy. I drew his attention to the

fact that we have got books on the philosophy of mathematics, philosophy of history, but we have got no book on the philosophy of political economy. We want somebody to write one, and he is the most competent person to do it and to tell us what is the meaning of money. We know that we started with the barter system, and when the barter system became very complicated, we employed standard article, gold, through which barter could be made; then, for the expression of labour in terms of commodities,—one thing was material and the other was energy,—and in order to get over the difficulty of expressing the one in terms of the other the notion of "money" came in. Therefore, this philosophic definition of money ought to be there and it ought to be thought out.

But the Finance Bill is not the occasion when I will discuss this problem or the necessity for a book of this kind, so that the world may be saved from the fantastic theories of these economists.

Now, the next thing I shall refer to is a really important factor in the budgetary position of a country, but I request the Honourable the Finance Member not to get up and reply, but let him please think over it. Will you (referring to Government Whip) please ask Sir Raghavendra Rau to come in?

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had better go on.

Dr. Sir Ziauddin Ahmad: I am going on, but I wish he would come in. There are two points which I should like him to note, which will affect the budgetary position of India. One is with regard to the railways. I am not discussing any railway problems on the Finance Bill, but there are two points to which I shall draw his attention and request him to give me a reply—not now—but at the time of the next Finance Bill, and he may consult his two colleagues who are very competent and also the Auditor General. My point is this. The theory of depreciation which they have started might be carefully revised. We know that up to 1875 we had one theory of depreciation fund. We found then that they were depositing large amounts under depreciation fund in order to show smaller profits, and since the rate of interest was guaranteed it did not hurt them. The Government of India realised the difficulties, and so they abolished the depreciation fund in 1875. During the war, we made a mistake in not spending sufficient money for renewals and replacements, and further we deplored the mistake and re-established the depreciation fund. Now, let us take the figures for 15 years since the railway budget was separated from general revenues, and we find we have been depositing in the depreciation fund about 4 crores more than the money actually required for renewals and replacements in one year. Therefore I want really two points to be considered,—one is that the depreciation of this type which is placed here does not exist in my other railways, the second point is that we go on increasing the amount of depreciation by 4 crores year after year.

Mr. M. A. Aney (Berar Non-Muhammadan) May I ask one question? Do you mean to say that depreciation does not exist in American Railways?

Dr. Sir Ziauddin Ahmad: No, not in this form. Here the general finances suffer, and that is my point. Since 1924, the accumulated depreciation fund after paying for renewals and replacements has come to nearly 60 crores. We have borrowed some money and the balance left is 30-35

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crores We now go on adding to it year after year This is, strictly speaking, not a depreciation fund, but it is a kind of reserve fund Now, I should like to draw the attention of the House to clauses 2 and 3 of our convention of 1924

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is really discussing the railway budget

Dr. Sir Ziauddin Ahmad: No, I am suggesting the Honourable the Finance Member a fruitful source of income which he can get in the next Budget

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is really discussing the railway budget This is not the occasion for it.

Dr. Sir Ziauddin Ahmad: No, I am not going to discuss the railway budget at all I am only pointing out that the Finance Member can get a fruitful source of income in the next Budget He has got so much deposited in the reserve fund, but, according to clause 3 of our convention, all that must go to the general revenues One-third of it may be given to the general revenues before anything is given to the reserve fund Otherwise, we shall be depriving the share of the general revenue This is a point to which my friend should pay particular attention and consider whether it is desirable to call it a depreciation fund or a reserve fund There is no use of confusing the two

The Honourable Sir Jeremy Raisman (Finance Member) What would the Honourable Member do when he could not get the physical material for renewals or replacements?

Dr. Sir Ziauddin Ahmad: In exceptional time, we increase our store balances The experience of 16 years is enough for us I have got the figure here, expenditure under depreciation comes to $8\frac{1}{2}$ crores We are depositing $12\frac{1}{2}$ crores We are, in fact, depositing about 4 crores in Reserve, then the amount left over for distribution between reserve fund and general revenues will be diminished, by that amount, i.e., 4 crores, one-third of which should come annually to general revenues

Then, the next point I would like him to consider is their method of adjusting the accounts when railways are dismantled This is a point on which the Finance Member, as the custodian of the general taxpayers, has not exercised proper influence Take the case of the Kangra Valley Railway

Mr. President (The Honourable Sir Abdur Rahim) The Railway Budget was the proper occasion to discuss these matters The Chair would ask the Honourable Member not to discuss the railway budget now

Dr. Sir Ziauddin Ahmad: No, Sir, but this will affect the general budget

Mr. President (The Honourable Sir Abdur Rahim) It has nothing to do with the Finance Bill

Dr. Sir Ziauddin Ahmad: I am not criticising the Railway Board or the Railway Department, but I am criticising the Finance Member.

Mr. President (The Honourable Sir Abdur Rahim) That may be, but all that would have been relevant during the discussion of the Railway Budget

Dr. Sir Ziauddin Ahmad: It is relevant here too

Mr. President (The Honourable Sir Abdur Rahim) It has been ruled over and over again that Honourable Members cannot go over the railway budget when discussing the Finance Bill

Dr. Sir Ziauddin Ahmad: I am not discussing the railway budget now

Mr. President (The Honourable Sir Abdur Rahim) He has been, in fact, discussing matters appertaining to the railway budget

Dr. Sir Ziauddin Ahmad: Very well I am only pointing out to the Finance Member what he ought to do I think whenever there is a loss or deficit, he ought to appoint a Committee to find out why so much money was spent, but I find no steps have ever been taken by him to see how these deficits have occurred That is one point

Now, before I proceed to discuss the question of allocation of these taxes under various heads, I want to tell you whether you are going to adopt a timid or a bold policy? Are you frightened of the tiger and the lion, or you are not? If you are not frightened of the lion and the tiger, then adopt a bold policy, and then you can build up a scientific theory of taxation You may ask me what is the lion and the tiger story. I will tell the story briefly Once there was a king who was greatly in need of money, while he had nothing in his exchequer So he went to a jungle feeling very melancholy and sat under a tree There a sorcerer came to him quietly and told the king "All right, you go to the house of Talisman and you will get as much money as you require If you find any difficulty there, then go to the person who resides on the other side of the mountain near the sea called Sufedposh who will help you There is a milch cow close by, and whenever you are in difficulty, you go there with a bucket, and the milch cow will give you milk and jewellery" So the King went to the Talisman and there he found copper coins strewn about which he picked up But there were two chambers there, in one of which there was gold and silver, while a lion was standing at the door and the second chamber was also filled with precious stones, but there was a tiger at its gate Every time the King approached the chamber to pick up gold and silver, the lion gave a roar The King came back then to the milch cow and he got some kind of jewellery This happened once, twice or three times First he got something in the shape of taxes, then he got a peculiar kind of supertax, called the excess profits tax, and so on So the King went to the Sufedposh and he gave the King a magic wand With the magic wand the King again went to the chamber to pick up the gold and silver, and when the tiger roared, it was shown the magic wand and it kept quiet, and the King found that the skin of the tiger went off and it was nothing but a barking deer Later on, he went to the lion and showed it the magic wand, and the King saw that it was not a lion, but really it was a fox in the garb of a lion, and so he went into the chamber and got as

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much money as he required. So if you really want to adopt a bold policy and get money from all possible sources and not confine yourself to a few pence here and there in the shape of putting duties on artificial thread or a duty on rubber tyres and tubes, you will not be able to build a real theory based on social justice.

Sir Cowasji Jehangir: Who is the lion and who is the tiger?

Dr. Sir Ziauddin Ahmad: That is a matter I leave the Members of the House to find out for themselves both in persons and organisations. You can interpret—A may be an individual or a class. This particular thing may be an individual or a class, and you will have to find out both and the reward for it is a speech of three hours. That is the reward I can give to one who can find out these things correctly.

Let me turn now to pages 22 and 23 of the Explanatory Memorandum. We find that income-tax has increased to 35·62 crores, but I 12 NOON. think that there is further room for taxation on account of the fact that we are spending about six crores a month for the Supply Department, and it goes to various peoples in some form or another. So, I think that it can be increased by 15 crores. If you are not afraid of the tiger and lion, then I suggest that you should have an excise duty on textile mills and also an excise duty on steel and iron.

An Honourable Member: What about cement?

Dr. Sir Ziauddin Ahmad: Cement comes under miscellaneous, it is not protected by tiger. Yesterday the Honourable the Commerce Member pointed out in his speech that it was a very good thing that we gave protection, but at the same time he should remember the report of the Fiscal Commission where they said that protection is in the shape of loan which will have to be paid back. This is a time of necessity, and this is the time when these industries are in a most flourishing condition,—the Finance Member and the Commerce Member will admit that. If it is the condition that they will pay back the protection, what is a better time than the present one? This is the time when they ought to pay back, and this is the time when the Finance Member should levy an excise duty on textiles and on iron and steel. The next thing is about salt. Sir Cowasji Jehangir will agree with me, there is a great deal of history behind it, but at the same time I think we should go back to the old level which we had before. No doubt this taxation will be temporary, will not be permanent, it will be only for war purposes, and we should go back to the present level after the war. Next we should get from some of our commercial concerns—railways and other things. From the railways you can get at least 5 crores more if we adopt the theory to which I have alluded before. Taking all these things into consideration, I think our taxation capacity is still in the neighbourhood of 30 crores under the present conditions. If the war expenditure continues beyond six crores a month, I think the taxing capacity of the people will proportionately increase.

The Honourable Sir Jeremy Raisman: May I ask the Honourable Member what was the last item which he mentioned?

Dr. Sir Ziauddin Ahmad: I do not call it a taxation on transportation, because it is a bad word to use, I will call it taxation on our commercial concerns. For example, take the case of rates and fares. When we increased it by two annas and one anna, it ought to have been earmarked as the contribution of the railways to the general revenues. When you increased the postage by three pies or so, that also ought to have been earmarked as the contribution from our commercial concern to the general revenues.

The Honourable Sir Jeremy Raisman: That is so.

Dr. Sir Ziauddin Ahmad: If your requirements continue and increase, I should not mind if you pick up some of the other articles and make them a State concern or a national concern, so that the entire profit will go to Government. At present I confine myself to those commercial concerns which are there, but if our demands increase and our requirements become greater, and the sources of income begin to dry up, in that case I think other articles should be added to our commercial concerns one by one, and I am quite prepared to suggest about half a dozen items which can be taken on hand in time, but this is not the time to deal with them. The amount that I suggested was about 15 crores more from income-tax, and this is due to the fact that the national income will be increasing, about 10 crores more from the excise duties—it will include excise duty on textiles and also on steel and iron and excise duties on cement, paper and a few other articles—about 4 crores more from salt, and about 5 crores from commercial concerns. One thing more I should point out about excise duty on textiles. Though I know those people who know how to carry on propaganda will be very bitter, I assure them that the cottage industry and the smaller people, the consumer will welcome this excise duty. The old slogan about excise duty that it will benefit Lancashire does not hold good. Nothing is coming from foreign countries, on the other hand we are exporting piecegoods to other countries, and, therefore, the argument which held good in those days will not hold good now.

Sir Cowasji Jehangir: What about Japan?

Dr. Sir Ziauddin Ahmad: In the case of Japan, they have got a quota system and they cannot import more than that. They cannot bring in an unlimited quantity. The quota is about 400 million yards, but actually they are importing less. And we have got a double check,—the quota system and an exorbitant duty. Therefore, Japan does not come into the picture at all.

Coming to other articles, will you ask (referring to the Government Whip) the Honourable the Commerce Member to come in because I have to deal with him?

Mr. President (The Honourable Sir Abdur Rahim) Let the Honourable Member go on.

Dr. Sir Ziauddin Ahmad: Very well. One thing I will refer to is about sugar. It was referred to by Mr. Ramsay Scott. I do not want to deal with it in detail, because I know that our Government are not responsible for the breakdown, the responsibility rests entirely with the Governments of the U.P. and Bihar. Still our Government are responsible for two

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things and they made a mess on account of two actions which they have taken and they are responsible for it. One was the Second Finance Bill of 1931. When we had a protective duty carefully calculated, there was no necessity to increase this protection by 25 per cent which they did under the Finance Bill of 1931, with the result that a large number of sugar industries came out, and, within two or three years, they took the entire money back, and they were accustomed to draw a dividend of 60 or 70 per cent which was really too much, and, then, whenever the profit became smaller than 60 per cent, they thought it was a loss. Their definition of loss is this. If they get less than the money which they expected, it is a loss. Suppose they expect a profit of 20, and they earn 18. They will not say it is a profit of 18. They will say it is a loss of 2.

The Honourable Sir Jeremy Raisman: Above the standard profits?

Dr. Sir Ziauddin Ahmad: Below the expected profit I was dealing with sugar just now. The second is that they slept over the matter. They did not make any inquiry. They did not bring the matter to the notice of the Assembly. We would then have taken sufficient action so as to keep both the Governments of the U P and B'har within their proper limits.

Now, I come to the excise duties. I do not want to lay before you the exact amounts. I have calculated the details of the exact amount of excise duties which should be levied on the various articles and how much we would get, but this is not the time to go into the details, because it requires very careful checking and consideration.

Now, Sir, I come to a few points connected with the Commerce Member. I wish he had spoken after myself, not before, so that I might have got his reply on one or two points which I want to raise. The first is the stability of prices. The second is the supervision of the cess duties. He himself said that this department is known as the department of conferences and committees, and so on. I know he holds no doubt a number of conferences and a number of committees, and I think it is perfectly right, but I have two objections to them. One is that these conferences are sometimes one-sided. He brings in the capitalists and industrialists and he overlooks the smaller industries and consumers. In order to get a true picture of thing, we have to consider not only industrialists and capitalists, but also the smaller industries and consumers. The Commerce Member says that their point of view is often represented by himself. If a consumer is represented by the Honourable Member, then I should say he is a very poor specimen of a consumer. Whenever the question of the development of industries comes up, these two things should be prominently kept in view, namely, the interest of the smaller industries and the consumers. The Government should particularly take care of the smaller industries for this reason. If war continued for a long time, the capacity of production of these mills will be limited. They will not be able to renew their mills, and we will have to fall back upon the cottage industries.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) At least on the Sugar Conference, I had a very good consumer representative in the Honourable Member himself.

Dr. Sir Ziauddin Ahmad: In the case of sugar, I did not discuss the details. I will come to it when the Sugar Bill is coming. Were there any other representatives of the consumers in the other committees and conferences?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No

Dr. Sir Ziauddin Ahmad: Never mind I come now to the fiscal policy which the Honourable Member referred to in his speech. We discussed this question in our party meeting. It was suggested that we should move a cut motion on fiscal policy. We decided that this is not the time. Any fiscal policy framed in a time of war will have to disappear very soon. You cannot even frame your fiscal policy from year to year. It may have to be framed from month to month. Any framing of a fiscal policy at the present moment is out of question. We will have to consider this question after the war and frame our policy on the conditions then prevailing. The idea of a fiscal commission should be taken up as soon as the war is over, when we can visualise in our minds our own future.

The other thing that I want to mention in connection with the reports of committees is that if they are not confidential, they ought to be published, and copies of them should be distributed among the Members of the Assembly. If we remain in touch with them, we will be able to draw the attention of the public and of the constituencies to the important developments that are taking place, and even if a portion of it can be made public, it will be a good thing to publish them, so that we may have an opportunity to discuss them also on the floor of the House. I know that they are doing very useful work in certain directions, but, at the same time, I think their useful work ought to be made public. It is very desirable that we should have an opportunity to discuss them.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: These reports are all being circulated to the members of the Standing Committee attached to the Commerce Department, and if any Honourable Member wants the reports, I am perfectly willing to place them at his disposal.

Dr. Sir Ziauddin Ahmad: The Members of the House should also have an opportunity to discuss these things, and if we get copies of all these reports, we will be able to discuss them by means of questions and resolutions, or by asking for the allotment of particular days to discuss them.

The next suggestion I want to make is about shipping control. Shipping is controlled by His Majesty's Government. It is perfectly right. I do not discuss it. They only can decide when the ships would be available, and, for what purpose, but it is very desirable that we should have some officers of the Commerce Department associated with this work, so that they should be in a position to distribute the internal requirements in the various provinces of the various exporters. The control and distribution of this thing should not be left to the representatives of His Majesty's Government alone. It is very desirable that our Commerce Member should press this thing, that an officer of the Commerce Department should be associated in the allocation of the various commodities in the various ships, and this matter should not be left to the representatives of His Majesty's Government. His Majesty's Government may decide the ships and the articles to be sent, but in what way they should be distributed among the various merchants in India itself, there I think the opinion of the Commerce Department should be asked for.

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Now, Sir, I come to the tea cess. We have levied the tea cess, but we do not know how it is being used and how it is managed. In fact, I tabled a Bill that this tea cess should be abolished simply with the object of discussing this subject, because I know that on the occasion of the Finance Bill I can only give a very small portion of my time to it. I cannot discuss the matter in all its details, but I think it requires some consideration. We ought to discuss how the funds are being used and in what way this thing should be improved. We should offer our suggestions for further improvement of the tea cess administration. It is in the interest of the business itself. I will just mention one or two points. The Tea Cess Committee are taking the contract on the railways. Can anybody imagine that the Tea Cess Committee should take the contract on the Railways? I was in the Advisory Committee of the B and N W Railway, and I discovered that this Tea Cess Committee took the contract of restaurants and they have tea stalls on various stations of the B and N W Railway. It is outside their jurisdiction, and if my friend had submitted a report, year after year, of the Tea Cess Committee along with the budgetary papers, then we would have looked into the matter and could have got an opportunity for the discussion of the subject, and I think it is time that it was considered that it is not the function of the Tea Cess Committee to take the contracts of the tea stalls at the railway stations. They can take to advertisement they can sell tea at half price or no price.

Mr. M. S. Aney: Gratis

Dr. Sir Ziauddin Ahmad: Yes, gratis, as they did in the exhibition about three years ago, that is perfectly right but to take a stall and sell tea at one anna per cup with other eatables, as they are doing on the B N R, is outside their jurisdiction.

Mr. P. J. Griffiths (Assam European) The Tea Cess Committee or rather the Tea Market Expansion Board takes no permanent contracts whatsoever. It makes temporary arrangements until permanent arrangements can be made. There are no permanent arrangements and the Tea Market Expansion Board runs stalls on a temporary basis only.

Dr. Sir Ziauddin Ahmad: All contracts are temporary, and none are permanent. The second thing is that their method of appointment is very defective. I do not know whether I am correct, but Mr. Griffiths will correct me if I am wrong if he speaks on this occasion, I think that their Managing Director Mr. Miles, has all the power, the Governing Body of the Tea Cess Committee has got little or no control over their Managing Director.

Mr. P. J. Griffiths: On a point of information Sir, my friend is at least ten years out of date, the Tea Cess Committee was abolished many years ago, and its place was taken by the Tea Market Expansion Board.

Dr. Sir Ziauddin Ahmad: All right I accept the amendment. As regards the Tea Market Expansion Board they have got a Managing Director, but the Managing Director does not know that it is the members

of the Tea Market Expansion Board who are responsible to the Members of the Legislature, and not the Managing Director, who may do whatever he likes. It is Mr Griffiths who has to explain to us here the difficulties, and I think it is right that the police ought to be laid down by the Tea Market Expansion Board, and their Managing Directors should not be present, and that Board should be enabled to carry on their policy in their own way. We are very much dissatisfied with the manner of the appointments by the Managing Directors and others. I shall give one instance for the benefit of my friend, Mr Griffiths. I was travelling from Dacca to Goalundo, and, in the cabin, I had an officer of the Tea Market Expansion Board. Well, while I was sleeping, he got up and he spilt something over me and spoilt my blanket. He was dead drunk, and when I mentioned this thing to the Captain, he admitted his helplessness. Then I approached their Managing Director, and I got no reply. Now when you employ a person of that type who is found to be dead drunk, how can you expect them, while travelling, to carry on their duties?

Mr. P. J. Griffiths: On a point of information. Was not any action taken against the officer concerned?

Dr. Sir Ziauddin Ahmad: I was not informed. What action did you take?

Mr. P. J. Griffiths: You should join the Board.

An Honourable Member: Did you not claim damages?

Dr. Sir Ziauddin Ahmad: I did not claim damages. I wanted better selections of officers. So, as regards selections for appointments, I think they require a good deal of improvement. However, I do not want to expose all these things now, but things are very serious, and I think the Tea Market Expansion Board ought to look into the whole policy and go carefully into it and they should remember that it is they who are responsible to us, and not the Managing Director.

Mr. P. J. Griffiths: They do.

Dr. Sir Ziauddin Ahmad: ... and that the Managing Director should carry out literally the policy of the Tea Market Expansion Board.

The next point I shall take up is a rather important one, it is about the fixation of prices, and especially about the agricultural products. My Honourable friend, Sir Abdul Halim Ghuznavi, pointed out the other day—"why not do the Government purchase certain commodities in order to raise their prices up?" He said it, I think, in a very casual manner, but I think what he said on that occasion requires careful consideration. What he really meant was this, that we should adopt some policy for maintaining the stability of prices, just as we have adopted in the case of the maintenance of the stability of exchange. We know that we have introduced Council Bills and Reverse Council Bills for maintaining the

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stability of exchange. Now, why not introduce something of the same kind in the case of these commodities in order to stabilise the prices? Something of that kind is very desirable. My friend might say—"where will he get the money from?" I will tell him the method of getting the money, and I think he will admit that this is a very good way of getting the money. Take the case of cotton. Now, in the case of cotton, the cotton dealers store the cotton purchased from the agriculturists in given quantities for, say, a hundred rupees. They keep it for themselves, and then they sell it at the proper time for two or three hundred rupees. Therefore, the profit of the man who deals in these things should be taken to be twenty-five per cent and I think that is a very good profit. So, if he has purchased the cotton for a hundred rupees, he should be allowed to sell it for Rs 125, but if he sells it for two or three hundred rupees, then the balance of that must go to the State, and the money we so get ought to be utilised for maintaining the stability of cotton, whenever the prices of cotton may be lower than the scheduled rate, the Government should step in and purchase the cotton in the same manner as they purchase Council Bills and Reverse Council Bills. Therefore, what I want him to do is that he should follow, as far as possible, the procedure followed in connection with the prices of Council Bills and Reverse Council Bills for maintaining the stability of prices, and, I am sure, that if he will do so—and it is a fruitful source of getting an income—he will gain, so this is one method which he ought to follow for maintaining stability of prices.

Now, I am going to suggest two or three other measures. The next thing which he ought to do is that he ought to hand over wider powers to the Local Governments and to the District Magistrates to fix the local prices, especially of foodstuffs. We know that most of these Collectors do interfere and they do fix prices, and, in most cases, local prices of foodstuffs,—as in most cases the local *banias* really hoard the foodstuffs and they do not want to sell, with the result that poor people suffer, or the *banias* sell it at an exorbitant rate. Then the District Magistrate very often steps in, and they fix what they consider to be reasonable prices, but here again the Government of India may interfere, and I think this is one particular example. I would like the Commerce Member particularly to note that in one district the District Magistrate fixed the price of *ghee* at a very reasonable rate, the Government of India interfered, they said, "No, you ought not to regulate the price of *ghee*, because it will affect the purchases of the Indian Government." The Collector said—and he was a strong man—"Tell us how much is required from the district and we will be able to get it, at the price which I am fixing, and double the quantity which you have fixed for that particular district." They said, "no", and then the Collector, who, as I said, was rather a strong man, still continued to regulate the price of *ghee* and then a telegram was sent by the Government of India—I do not know whether it was from the Commerce or some other Department—to the Governor of the United Provinces to the effect, "Please stop the Collector from interfering and fixing the price of *ghee*"—in this case there was interference by Government in the work of the District Magistrate when he was putting a reasonable price for the commodities in the interest of poor people—and they are not required only for war purposes, the poor people consume about ninety per cent of the supply of *ghee*.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: As my Honourable friend has referred to this particular point, I may explain the reason which is a very simple one. If an isolated and individual action is taken only in one district at a time like this, the result would be that the particular commodity would disappear from that district and may not be sold elsewhere. Therefore, we wanted a more organised and continuous action over a wider area and under the direct check of the Government of India, otherwise the product will simply disappear from the particular area.

Dr. Sir Ziauddin Ahmad: I am glad my Honourable friend has intervened and it has given me the opportunity to reveal what is behind it all. The fact of the matter is that the Government are not purchasing the articles at a tender rate. There is no tender asked for. The Ghee contractor is simply asked to buy ghee in the market and charge the Government the market rate and generous commission. He controls the prices in the market and they are practically fixed by the person himself. He buys the things for the Government at the price which he himself fixes, and this is fundamentally wrong. It is not right that you should ask a man to buy a large quantity of some articles and the man himself fixes the rate of those articles. But when the Collector intervenes and fixes a lower rate, then his secrets will be out and the margin of his profit will diminish. You should ask him why a particular thing is sold at such a lower rate in one district, and why at such a high rate in another district, and then his secrets would have been out. But this is only by the way. What I want to say on this particular question is this that, in fixing the price, especially of foodstuffs, the Government of India ought to give wider powers to the Local Government and to the District Magistrates to help locally. Whenever any particular commodity is short in any particular district or in any particular area, then the Government ought to make some arrangements out of the Fund to which I have just alluded to send that particular commodity to the province or the district where it is needed. This is the work which the Government of India ought to do. In the first place, they should watch very carefully the shortage of any foodstuff or any particular article in a province and they should try to remove that shortage by sending that article from a place where it is in abundance. Secondly, they should give greater power to the local authorities to fix the prices and help them wherever it may be possible. Thirdly, these prices should be announced if not every day at least once a week both on the Radio and in some other ways so that the consumers may also know what the prices are and they may be on their guard and may be able to find out whether the local prices have not been artificially raised. The prices of important commodities such as cotton can be stabilised by adopting the policy of Council Bills and reverse Council Bills. In this way, I am sure the prices will be stabilised. That is really an important problem. If you want to maintain peace in the country, then you have to guard yourself against the instability of prices and against the Bazaar gups. I will deal with these Bazaar rumours when the Home Member is in the Chamber.

Now, Sir, I come to the Department under the portfolio of the Home Member. I should like to mention one thing before he comes here.

Sir Cowasji Jehangir: May I know whether the Commerce Member can go now to do his work? He has got lots of work to do in his office.

Dr. Sir Ziauddin Ahmad I know that you are in business with him

Now, Sir, first of all, I would like to deal with the question of exodus to Simla. It is a very small matter, and I do not press it from pecuniary considerations. I know it costs some money. In fact, it costs more money than the Finance Member will be able to get from his duty on artificial silk thread and yarn. But that is not the point. The point is that at this time of emergency it is not desirable that the Government should be 24 hours behind time. Anything may happen at any moment. Therefore, this year they ought to be here and always ready to meet any emergency that may arise.

Now, I come to the point raised by my friend, Mr Griffiths, namely, propaganda, in one of the cut motions to which a reply was made by the Honourable the Home Member, and we had no opportunity to discuss this question. So, I would like to take it up now, because it is an important matter. Now, my friend, the Finance Member, must have read in his book of logic whether logic is an art or a science? I also read a good deal about it in Thompson's Logic, and the reply was that it is both art and science. The same is the case with propaganda. The question is whether propaganda is an art, or whether it is a science? And the reply is that it is both an art and a science. I have followed the subject of propaganda a good deal in Germany soon after the great war. I will tell you how it was developed in Germany, and it may open the eyes of the present Government so far as propaganda is concerned. In 1921, I went to see my old Professor Klain, whose name must be familiar to Mr Griffiths. He said that the Germans were not defeated in the war by the military power of France or England, but they were defeated simply by the propaganda of Lord Northcliffe. That was the opinion that he expressed at that time. Then, he said that the kind of individuality and commonsense which English people have developed is acquired in their public schools. So, they immediately established a number of public schools in Germany which did not suit the Germans at all. They survived for some time, and then they disappeared. You will be surprised to know that in the German language there is no word for "commonsense". When I was attending a course of lectures on education in Germany in 1905, the Professor asked me "What is this Englishman's commonsense?" He said he did not know anything about it. So, they have got absolutely no word for "common sense", and they have got no idea about its significance. Therefore, the idea of the development of individuality and commonsense is outside the scope of the German people. Then, the other thing which you have to keep in mind is this that they have no debating societies at all.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member may leave German institutions alone.

Dr. Sir Ziauddin Ahmad: I am afraid I cannot describe this propaganda work without referring to them. Afterwards, they had a gathering of professors and students and they decided to start a debating society. Having done that, they had a meeting of the debating society and the subject discussed was "death duty". We discussed this subject for five hours and could not come to any decision. But it never entered into their head that the question could be decided by votes. When I said this to my Professor, he said how could a big subject like this be decided by votes? It could only be decided by arguments and so on. Therefore, the idea of

deciding a question by votes is foreign to the German people. They only want orders which are to be executed.

Now, to come back to the subject of propaganda. As soon as the last war was over, they realised that their chief deficiency was public schools and propaganda. So, they immediately established a Ministry of Propaganda. They appointed Professors for propaganda in various Universities. These Professors delivered a series of lectures to the students on the subject of propaganda, including the way in which it should be developed on one aspect of which Mr. Gwilt laid so much stress in his speech the other day. On this particular thing the Government are perfectly silent. They do not know what is an Intelligence Department, what is an Information Department, and how these things are to be developed when the time comes. They suddenly wake up and begin to develop. They do not approach things in a regular or scientific manner. They do not observe what other countries have been doing after the Great War. I, therefore, suggest that our Government should have a regular plan carefully thought out. At present the Government have thoroughly failed in their propaganda work. It is desirable that we should be up and organise regular propaganda and bring in the Intelligence Department, the Information Bureau and the Radio all under one head. We should devise ways how to get over the difficulties. There is an enormous stuff coming out from Germany and Italy on the radio. I approached the Information Bureau and suggested that something ought to be done to counteract this propaganda. The Germans and the Italians have their own particular programme at a particular time. Or the same wave length two things come. If you have some other programme in the same wave length by people having similar voice and place them at a particular place with particular wave length, and if this is done, you will counteract the propaganda of the Germans and Italians who are daily giving out poisonous news against our Government. We can tackle this question if we take it up seriously. My complaint is that the Government have not investigated this subject in a scientific and regular manner. They ought to have consulted Press representatives. The Press ought to have been taken into confidence. The Information Bureau should not be considered the close preserve for recruits from the *Pioneer*; it is at present. Other papers also should be given a chance. I cannot sufficiently emphasize the importance of this propaganda at this particular moment though we have done nothing so far. It is very desirable that we should be active. We ought to devise a better system of getting information, a better system of spreading information and a better system of stopping the propaganda of other countries. In this connection, I should remind the Government that they should exercise greater vigilance over foreigners who come here as refugees, Jewish or others. They should be carefully selected. When the British took up the refugees from other countries with open arms, the Germans subsidised some of these people and sent them as refugees in order to get information. Some of these people who have entered England and India are not really *bona fide* refugees, but they are really informants paid by the Germans. In admitting them to the Army or to the Civil Services, greater attention should be paid to this particular fact.

Now I come to census. I am not going to repeat what my Deputy Leader said already. I only want to add a few words. It has come to the notice of some of the members of our Party that one responsible person who is in the know of things at Lahore said that one enumerator

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alone filed 6,000 bogus papers to swell the number in the census. My Honourable friend, Sardar Sant Singh, said the other day frankly that in a house which could not contain even ten persons, the inmate said there was a marriage party consisting of 100 persons staying in that particular house. My Honourable friend Maulvi Muhammad Abdul Ghani, already said that we the Members of the Assembly have not been included in the census because we are supposed to be neither in Delhi, nor in our own houses in our constituency. We have also got information from Calcutta from the Premier Mr Fazlul Haq that about 1½ millions of people were not counted at all. This being so, we will have really great difficulties to arrive at correct figures of census. We have really to find out a method by which we can arrive at the correct figures from exaggerated entries. Either the Government should say that the census figures of 1941 will never be included in the official report, in which case nothing is required to be done, the whole thing can be scrapped or we should remove the discrepancy and arrive at correct figures. You know of Albrecht, the great mathematician, who, when he went round various places, found exaggerated stories related to him about various events. Then he suggested, and sometimes he invented a mathematical formula, by means of which these exaggerated stories could be reduced to probable facts. By Newton's formula of interpolation or by some other method it is possible to reduce these exaggerated facts into probable truth. Either you should invite people to reduce these figures to probable truth, or you should declare the whole census to be null and void and let it be by a notification from the Home Department that these census figures of 1941 should not be quoted in official reports. The one or the other thing is desirable under the conditions which have been mentioned on the floor of the House.

Now, I will say a few words about the Department of Education, Health and Lands. The first thing to which I wish to draw attention is about the Central Advisory Board of Education. This Board is doing useful work. It has written a very good pamphlet on the Wardha Scheme. We have got the Wardha Scheme, we have got the Abbott-Wood Scheme as well. The authors of the Wardha Report and those who supported the Abbott-Wood Report met together and drafted a good report which is a *via media* between the two. These reports ought to have been widely published. We have got a very good work done about technical terms used in translation, into vernacular. We have got very good work done in the mathematical text books published in Hindustani and other languages. I think it is very desirable that these things should go outside the cloisters of the Secretariat and the educationists and others who are engaged in the field should become familiar with them. So, I suggest that they should have what they used to have in the old days. Pamphlets should be issued from time to time on various topics which should be available to educationists who care to read them. Therefore, the work done is good, but the advertisement is poor. I do not blame them; because the whole propaganda of the Government of India is faulty, and, therefore, the propaganda of every branch of the Government of India should also be proportionately faulty.

Then, I come to the Delhi Municipality. They have got six committees for municipalities and notified areas, out of which only one committee has got a representative of the people, while all the others are nominated.

In these days it seems desirable that we should fall back more and more on the representatives of the people, specially in the administration of municipalities and notified areas. I will remind the Honourable the Secretary of the Education Department of the despatch written by Lord Curzon when he first emphasized the introduction of these local bodies. He said very clearly that he knew that the administration of local bodies would be bad and corrupt, but at the same time he would face corruption and bad administration in order to teach people to administer local affairs themselves. Under this principle also I think it is desirable that we should introduce the system of election in the local bodies.

My next subject is the administration of hospitals, specially the Irwin Hospital and Lady Hardinge Hospital at Delhi. This is a serious matter, and I draw the solemn attention of the Honourable Member to this question on which I feel very strongly. In Delhi, the best brains of India gather, Europeans, Hindus, Muslims and others. Even those who are not here permanently come occasionally to attend the innumerable conferences and meetings convened by the Government of India, and it is desirable that we should have here a very good and efficient medical staff. We should have here at least three first class physicians and three first-class surgeons. These three physicians may among themselves represent the various kinds of diseases, one may be an expert in ear, nose and throat diseases, because we have nobody in Delhi now who may be called an expert in throat diseases, the other may be . . .

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): That is not right at all, and it is not fair to criticise in his absence a medical man in thus unfair and unsporting manner. There is an ear and throat expert in the Irwin Hospital, and, as a doctor, I know better than the Honourable Member his excellent qualities.

Dr. Sir Ziauddin Ahmad: The Honourable Member should better wait and speak in his turn.

Lieut.-Colonel Sir Henry Gidney: The Honourable Member would not like me to tell him when he was the Vice-Chancellor of the Aligarh University that he was unfit to do his work. We have got a really good man at the Irwin Hospital.

Dr. Sir Ziauddin Ahmad: We want really to have some kind of experts attached to the Irwin Hospital where the people usually go. I do not really want to say anything against any medical man.

Lieut.-Colonel Sir Henry Gidney: But he is defaming his own countryman, an Indian.

Dr. Sir Ziauddin Ahmad: I am not criticising any one, but I do press that we should attach to the Irwin Hospital three good physicians who will represent among themselves the treatment of various kinds of diseases and three good surgeons. That may not necessarily be from the service, but may be recruited even from among private practitioners. The important thing is that the Irwin Hospital should be made up-to-date. It should be a hospital where any European or Indian living in European style may be able to go, and it should be made a sanatorium as good as any other in this country. So I think we should have a good advisory committee.

Mr. M. S. Aney: What about Indians living in orthodox style?

Dr. Sir Ziauddin Ahmad: At the same time there should be arrangements for good and efficient treatment for those people who cannot pay. There should be a ward for them where they will get everything free as is found in many other hospitals. Then, there should be a very good and strong governing body consisting of both medical and non-medical men, so that all shades of opinion may be represented. The staff should be sufficient and should include experts in every branch of the profession, for the benefit of the people who reside in Delhi, as well as those who come here for official purposes. They take young graduates from Medical Colleges and give them a preliminary training, but they cannot be given independent charge as they are given in this hospital. We had the other day two motions of adjournment on this subject, but they could not be discussed as 25 Members did not stand up in support. But that does not simplify the thing, and, in the interest of public health, they should have an efficient staff which should not be inferior to that of any other hospital in this country.

I now come to the problem of education in Baluchistan, where the money is not spent in the most economical manner. Casual reference was made to this matter by one Honourable Member at the time of the general discussion on the Budget, but it was not discussed in detail. I will draw attention to a few important points about education in Baluchistan. In the first place, education there is most expensive. On page 118 of the "Progress of Education in India, 1932-37", I find that the total annual cost of education per pupil is the highest in Baluchistan. It is Rs 62.4-0 as against 15.4 for the rest of India. Even in a place like Ajmer-Merwara, it is 42.19. With such an expensive education, we should expect better results, but we find that the education is practically stationary. On page 17 of the Statement of Educational Progress in British India, I find that in spite of the heavy expenditure per pupil the number remains almost stationary. That is, in 1932-33, it was 2.48, while in 1938-39 it had gone down to 2.42. So, in spite of the heavy expenditure, the number has not gone up.

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands) Would the Honourable Member mind repeating the two dates?

Dr. Sir Ziauddin Ahmad: I have got the figures for 1932-33 and 1938-39—the latest figures available in the Library. As regards female education, the position is still worse. It was 1.02 in 1932-33, and it has come down to .75 in the year 1938-39. So, in spite of the very heavy expenditure per head in Baluchistan, the results are not very satisfactory and no progress has been made.

I come now to Muslim education in Baluchistan. It is given in the progress report, and I quote from the figures given there—on page 184. The Muslim population is about 87.4 per cent there, and the percentage of Muslims in the year 1931-32 was 1.5, while, in the year 1936-37, it has been reduced to 1.2. In these five years it has degenerated by .8 points.

Mr. J. D. Tyson: Are these the figures of literacy that are now being quoted?

Dr. Sir Ziauddin Ahmad: I am not giving the figures of literacy. literacy is not given here. This is the percentage of the pupils to the total population. The normal figure is 15—but we have got here 15.

Another thing on page 184 of this book is that Baluchistan is last in the list. The figure for the whole of India is 52, and the lowest figure is Baluchistan. Therefore, thus is a place which demands the attention of the Education Secretary. The educational condition of the Muslims in Baluchistan is so low compared with that of Muslims in other provinces, we find it is very poor, and it requires the serious consideration of the Education Secretary. When I turn over these pages, what do I find? I find on pages 186 and 187, etc., that there is not a single Muslim either in College or in any institution whatever, law, medicine, education, engineering, agriculture, commerce, technology, forestry, veterinary, etc. It is, therefore, desirable that the Government should pay serious attention to this state of affairs. I wish to suggest one thing that the system of grants there should be thoroughly revised. The system requires fundamental change in principle. The principle there is that the Government give half the money if the other half is collected by the school, the result is that those who are rich become richer, and those who are poor remain for ever in oblivion. If the rich can collect 50, then they get another 50 and they get benefited by the present rules, while those who cannot get 50 will remain for ever in oblivion and ignorance no grant will be given to them. You follow the principle which you yourselves have devised for the United Kingdom. There the grant is given not on what you can produce, but on what you require, and sometimes cent per cent is given. The rule ought to be revised and the grant should be given, not in proportion to the money we can raise, but in proportion to the need and the necessity of the people. The result of the present policy is that missionaries who have some money behind them, and the other communities such as the Sikhs and Sindhus who have got plenty of money get the benefit of the grant, and they very much lower the figures.

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural): It is all in your pockets now.

Dr. Sir Ziauddin Ahmad: You are also in my pocket?

Then, there is one other point the grant should be divided in certain equitable proportions among the different communities inhabiting Baluchistan it should not be a monopoly for missionaries and Sikhs to get the entire grant. If they follow the present principle, then the result will be that the cost per head will go up but the net result will be the very minimum.

As regards archaeology, the less said the better. I know that there are other Members who are dealing with this subject, and I only wish that the Honourable Member should always keep on his table a copy of the Worby Report and see what it contains. I am glad he has it in his file just now. I hope he will also keep a copy of the questions and answers and then probably some improvement may be made.

One more point, before I finish with Baluchistan, is that we tabled a Resolution which unfortunately did not come in the ballot, in which we wanted to urge the Government and draw the attention of the Foreign Secretary that a committee should be appointed on the lines of the

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Bray Committee in 1922, to consider what improvements can be made under the existing conditions. We cannot remain ignorant and idle about that part of the country which has now been entrusted to the care of the Central Government. They should do something for them, and at least to begin with, they should do two little things—revise their system of grant and spend more money and appoint a committee of inquiry on the lines of the Bray Committee, and we should wait for this report and then can discuss on the floor of this House what we can do.

I will take the Supply Department later, but there is one point to which I should like to draw the attention of the House in the presence of the Honourable the President, and it is this, that the members of the Opposition have now got definite complaints that the programme of the Government is not communicated to them in time. I think the Government should take note of this fact that whenever they send out notices of meetings, they should at least give us an indication or some idea of the important measures it is proposed to be introduced in the Legislature. We on this side have no staff we cannot carry all the books from our home library to Delhi. If we get some definite idea beforehand about the legislative measures which are going to be introduced in the coming Session, then it will keep us on our guard, and we will be able to study the problem, consult our constituencies, and we shall be in a better position to express our views here. For instance, today two very important Bills were hurled at us without any notice, and I think it is very unfair to throw at us these two important Bills without the slightest previous indication that they would be brought before the House this Session. The Government ought to have given us some indication, long before, of their intention to introduce these two important Bills, but now they will say they have no time and the Bills must be finished in one day. I think this is very unfair. I think the Secretary of the Legislative Department has got a copy of the programme in his pocket, but he does not reveal it to us, and I think it is very unfair for the Government not to tell us beforehand what their programme is. We know what is the practice in the United Kingdom. Notices of all important legislative measures are always communicated to the Members well in time, particularly if there is anything of an urgent nature. But in ordinary matters we must be given some time, so that we may think over the matter before expressing our opinion. I hope the Government will take note of this complaint and communicate to us their programme, whatever it is possible to communicate to us, before they convene a meeting. At least on the first day of the meeting the Government ought to give us some idea as to what legislative measures they want to bring forward during the Session. Of course, it will not be binding on them to stick to it,—they can change the programme if necessary—but then we will get some kind of idea beforehand. That is one point.

Then, the second point to which I want to draw the attention of the Honourable the Leader of the House is that the time allotted for the discussion of the Budget should not depend upon the number of Members present, but upon the importance of the Budget, and, as Leader of the House, he ought to communicate to the Governor General in Council that it is the desire of the Members of this House that the time allotted for the discussion of the Budget ought not to be curtailed, and I think it is very desirable that we should have sufficient opportunities to discuss the Budget.

Then, the next point I should like to take is about the Law Member I will take it up in the afternoon.

Mr. President (The Honourable Sir Abdur Rahim) The Assembly now stands adjourned till Half Past Two

The Assembly then adjourned for Lunch till Half Past Two of the Clock

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr Deputy President (Mr Akhil Chandra Datta) in the Chair

Dr. Sir Ziauddin Ahmad: I shall now deal with the subjects coming under the portfolio of the Leader of the House. I do not know who is present here representing the Supply Department. I shall take up the next topic, namely, the administration of Delhi, and I understand that that comes under the portfolio of the Honourable the Law Member

The administration of the Delhi Province is now conducted under the Delhi Administration Act of 1912. One clause in that Act is

"The Chief Commissioner may by notification extend with such reduction or modification as he thinks fit to the province of Delhi or any part thereof any enactment which is in force in any part of British India at the date of such notification."

This really means that whenever the Chief Commissioner desires, he has got the power to enforce any enactment from any province whatsoever I have got before me the Delhi Improvement Trust Act. It is taken—at least it is said so—from the U P Improvement Trust Act, but they have introduced certain clauses from Burma, some clauses from Madras, some from Bombay, and some from some other provincial Statutes. So the mixture becomes a law which nobody recognises. I think the U P Improvement Trust would certainly refuse to recognise the Improvement Trust of the Delhi Province. It reminds me of a cartoon which appeared at one time in the *Punch* of the United Kingdom. There was a scandal in 1904 about potted beef that came from America, and there were a series of articles to the effect that they were prepared from dogs' meat or the meat of some other animals. The cartoon had a picture of a tin of potted beef and there was the head of a bullock outside it. The bullock from the potted beef shouted, "I am thy brother". The real bullock, turning his head back, said, "I refuse to recognise thee". The same is the case here. The Delhi Improvement Trust may tell the U P Improvement Trust, "I am your offspring", but the reply that it would get would be, "I refuse to recognise you", because it is composed from so many different provincial Statutes. Therefore, it is very desirable that we ought to devise a better system of administration for the Delhi province. I can quite understand that the Central Government should have a location of its own, and the administration may be directly under the Central Government. I do not object to that. At the same time, there should be a good administration, there should be a rational administration, an administration according to the present times. Here there is no Legislative Assembly, there is no Advisory Committee, there is nothing. The powers which were given to the Governor General in Council have now under the orders in Council, been transferred to the Chief Commissioner, and the Chief Commissioner may take anything he likes from any province and enact it. So, it is very necessary that we should look into the matter. The Improvement Trust of

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New Delhi is a thing which has become scandalous. Here we have got a land acquisition officer, who is the Secretary, who is the sole authority. The power of appeal which is provided in the case of the U.P. Trust is taken away. This is a thing which requires careful consideration, and I think the administration ought to be improved. The powers which they had taken in the year 1912 might have been suitable to that period, because there was no enlarged Legislative Council. But after the Montague-Chelmsford reforms and the enactment of 1935 Act, when we have introduced Provincial Autonomy, I think it is not desirable to continue in 1941 an administration devised in the year 1912, and that, requires serious consideration.

I now come to the Supply Department. I start with the fundamental principle that we have now reached a stage in the war when all efforts should be co-ordinated and when all our resources should be marshalled to one common object, namely, that we should win the war. I assume that the Members of the Government of India are now determined to place all the resources of their respective Departments for the attainment of this common object. A subsidiary point which arises in connection with that is that we should place our resources without any condition, and the present system of putting the resources under certain conditions, that its individuality should remain intact and it should be given back in its original form after the war—I do not call this co-operation, but it is obstruction. We used to have two purchasing Departments, one belonging to the military, called the Director of Contracts, and the other belonging to the civil, called the Indian Stores Department. These have been co-ordinated together, but the owners of these two Departments gave them to a common pool on this condition that their organisation should remain intact and they should be given back to them after the war. This condition, I think, is responsible for a number of difficulties that have arisen in the working of this Department. We want a co-ordinated Department, never mind what the past history of these two Departments may be. It is impossible to foresee what would be our organisation after the war is over. It depends upon the circumstances which may arise then. So, to lay down at the present moment a condition that these two Departments should work in such a manner that their individuality should be kept up as far as possible, and they should be handed over to the respective owners after the war is over, is a great mistake. I think we should now devise a co-ordinated system by means of which these differences should disappear.

I shall now proceed to narrate in what way this system is working to the disadvantage of efficiency. We have no doubt got a Member in charge of the Supply Department. After the Department was started, pressure necessitated its division into two Directorates, one at Delhi, and another in Calcutta. Further pressure necessitated the co-ordination and fusion of these two Departments. The military authorities and the Indian Stores Department agreed to co-ordinate on one condition, that they should be run in a manner that after the war their Departments should be given back to them. The condition, as I said, is not co-operation. It is obstruction. What is needed is a Central organisation for the co-ordination of all our efforts in the matter of supply. We should use the experience of men previously engaged in purchases under two different organisations. We should change the names of the officers to

get rid of the old tradition. Now, in the first place, I think it is very desirable that we ought not to retain the names that have been given to them, while the Department of Director of Contracts was under the Master General of Ordnance. Now, to give the military title in the Department of Supply is really lowering the dignity of the titles of the military rank. I belong to the Education Department, and I think that if any University or Vice-Chancellor gives the title of a Professor because he is good in purchasing stationery, and the title of Reader because he is good in purchasing ghee or other food stuffs, or medicine for the college hospital, and the title of Lecturer to a third man, because he is good in purchasing materials for building, I think all the teachers of the University will wait upon the Pro-Vice Chancellor and say "All right, if you call him Professor, spell it with two f's, if you call him Reader, spell it with three ees, and if you call him Lecturer, spell it with a K, and do not confuse us with the real Professors, Readers and Lecturers". We are doing more injustice to the really military department by adopting the military ranks in this small department for this purpose. Not only I, but the people have got a very high opinion about the military ranks in this country. Whenever we call a man a Colonel he commands respect. A Colonel really means, he is a great patriot. He serves the country at the risk of his life. He is a person who has gone through all the stages of military discipline and lived a life of respectable poverty. His wealth consists in the respect which he commands. Now, a Colonel in the Supply Department, which I say should be spelt with a "K" and not "C" is a person who never handled a rifle in his life. He does not know how to walk straight. He is rolling in wealth. His uniform is filled with pockets—his greatest glory. He is happier in war time than in peace time, and I suggest that if you insist that military rank should be given to these persons, in these departments, then we should devise a different system. Now, here a person can be appointed straight as a Staff Captain. Then, within a year, he can be made a Major, and, in the next few months, he is appointed a Colonel. Not only this but we were told on the floor of this House that it is also possible that a Colonel may be degraded to the position of Major. This is a thing which at least I cannot understand. A person who holds the title of Doctor may lose that title and he may be called an M.A. A student who has passed his M.A. may be degraded to the position of B.A. This is a thing which is possible only in the Supply Department and not possible anywhere else, and I think the system is fundamentally wrong. They say that they have got a small cadre, and within that cadre they should have promotions. That is all right, but why on earth must you maintain the military ranks? Why not adopt the civil names in place of that? In case you don't adopt the civil names and you must have military rank and military uniforms, then, for goodness' sake, com special words, so that we may distinguish that these are not real Colonels in the proper sense of the word. I do not believe that half of them should get a military rank and half of them civil titles. If that be so, then the Leader in charge of the Supply Department, I mean the man who is in charge of these things, should be called Field Marshal. That will be a misnomer. So he should really be called Supply Marshal, if the people insist that military rank should be given to every officer in the Supply Department.

Lieut.-Colonel M. A. Rahman (Nominated Non-Official) Would you agree to the rank of Brigadier to the members of the Advisory Committee of the Supply Department?

Dr. Sir Ziauddin Ahmad: I come to that. Then, what about Mr Jenkins? He should have some rank. He is very much buried in files—His files and God save the King. So, you call him the File Marshal if you like.

Lieut.-Colonel M. A. Rahman: Brigadier of the Salvation Army?

Dr. Sir Ziauddin Ahmad: I would depute Colonel Rahman and I would request the Honourable the Leader of the House to take his services to find out what should be the suitable titles for the various members of the staff of the Supply Department. I think the simplest method is this. Follow the practice of the Civil Departments. Give them the civil ranks,—Secretary, Deputy Secretary, and so on, and if any one of them happens to hold the military rank, of Colonel or Major, he should continue to hold the military rank, because by joining the Supply Department, he does not lose the military ranks. Therefore, the ranks in the Supply Department should be civil, with the exception of those few persons who otherwise happen to hold the rank of the Military Department. That is really the first point.

I now come to the second point, namely, the adoption of a system by means of which the working can be made more efficient and corruptions may be avoided as far as possible. Now, I raised this question about corruption, and I was told several times "Give them a case and they will handle the case immediately", but it is very difficult for anybody to bring a suitable case. Now, this question was investigated by the Aeworth Committee in connection with the railway employees and they said that if conviction of the bribe taker in a law court were the only means of stopping the practice it would evidently continue indefinitely. It normally the only witness against the bribe taker is the bribe giver and he is *particulus inimicus* and equally liable to punishment, he can hardly be expected to come forward to give evidence. Really speaking, if you want to remove the corruption, it is very desirable that you should have your own inquiries and take steps and don't wait for the proof, because the proof will never be forthcoming. Nobody will come forward to say that he offered to give the bribe. The man who offers the bribe will never do it, because he may be put in the black list.

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House): I have given repeated assurances that he will not be put on the black list and he should suffer no prejudice.

Dr. Sir Ziauddin Ahmad: I was given such assurances many times in other departments. I know what would be the result, but at any rate even the assurance of my Honourable friend will not convince those contractors because they know what the result would be.

The Honourable Sir Muhammad Zafrullah Khan: Then, what does the Honourable Member suggest—punish on suspicion?

Dr. Sir Ziauddin Ahmad: The point I have made out is that there should be civil ranks, so that we may not have these absurd promotions. What I want to say is that we have now created a system by means of which a business man cannot carry on business honestly with the Supply Department, and this I am now going to elaborate. In the first place

you have a complicated system for enlisting the names. Now, here is the first difficulty, and a number of cases have been reported to me about the difficulties and the manner in which names have been enlisted, and I think we should adopt a liberal policy in these cases. Any person who has got a good bank reference, who can prove that he is a business man, should have no difficulties, I think there should be no difficulties in enlisting such names, and it should only be insisted upon that the conditions which they prescribe ought to be followed. Now, the second point is the passing of the specimens. Whenever a specimen is sent to the Supply Department, it is sent for testing or approval, in the case of foodstuffs, to Kasauli, and in the case of other articles, to Cawnpore. Here the Honourable Member has got a method of asking. He knows a number of persons of the Supply Department from whom he can make inquiries. The Finance Member has got a number of his juniors in the Finance Department. He can ask them privately whether they would not give up the whole of their salary to the war funds, if instead of checking the accounts, they are given some hand in the purchases and inspections. The Commerce Member is there, he has got very wide sources of information. Now, if by private information there comes to be a *bona fide* ground that the system is wrong, then I think we ought to apply our mind, and I will tell you how this could be improved. Now, the system of testing of proving the specimen, ought to be the same as we follow in the universities for the examinations in the case of answer papers. Instead of having one centre, you have more than one centre for the testing of these specimens. Instead of sending all the foodstuffs to Kasauli, appoint two or three places—Kasauli, the Agricultural Institute, Delhi or some other places, and then in the case of the other test, it should not be confined only to Cawnpore, but you should open it at Cawnpore, Calcutta, Delhi and Bombay, and now as soon as any article comes to the Supply Department, then, just like the Registrar of a University, they should take the name off. They should only put on a roll number, as we always do in the case of the examination papers, *viz.*, that the original number, the original roll number and the names are always kept confidential and an artificial roll number is put there so that the man testing will not know anything about it and then he will not know whether his specimen was sent to Cawnpore or to some other centre. It might be sent to another centre or two places simultaneously if possible. Then, the time should be recorded, the time when these specimens were sent and the time when they were received should be recorded as they record in the case of the answer papers, and whenever there is any undue delay, attention should be drawn and the results should come out within a prescribed time. So if you take the assistance of any Registrar of a University and adopt the method which we use for examining answer papers and keeping the names of the persons anonymous to the people who carry on the investigation then you will improve the system to a very large extent, and the thing which is now common, *viz.*, that nothing will be tested till the private fees for testing is paid according to the importance of the commodity will be obviated. My suggestion is that in the case of testing these articles, whether foodstuffs or otherwise, it should not be at one centre, but it should be at more than one centre, and then the names and even the addresses and any kind of sign should be kept confidential with the people to whom it is sent, and only an artificial number should be sent, and then afterwards you should

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accept the results within a reasonable time I know the Honourable Member has introduced some improvement in this direction, but till now some of these results were not received even for six or eight months or even a year I know definitely of one case where the sender did not get any reply—a very reliable person who refused to enter into business, they did supply things before to the Supply Department, but now they refused to carry on business with that Department That is really my suggestion No 1 My suggestion No 2 is about the specifications Now, the specifications at present are drafted by the Inspectorates, and I think it is desirable that they should be drafted independently by some persons in the Supply Department who are experts and they should be put in simple language and avoiding Latin names as far as possible, so that it may be intelligible to every person, and they should not be in the language of the oracle of Delphi—who always puts his statement in a manner which may be understood in either way, and I think if you put the inspection and the drafting of specifications in one person, then they will always put some kind of loophole so that they can get hold of the contractors under some particular small clause The specifications should be drawn up in very simple and easy language so as to be intelligible to everybody, and they should not be drawn up by inspectorates but should be drawn up by the Department of Supply In some cases the specifications are drawn up in such a manner that only one individual can fulfil those conditions I think my friend will remember that in a certain institution the post of director was vacant and the officiating director who wanted to become permanent drafted a specification in such a manner that he was the only person who could specify all the conditions and nobody else Now, when these specifications were given out from the applications we received, I happened to be on the managing committee and I was always reminded that this did not fulfil this condition and that condition but that all the conditions were drafted by the man who drafted the specification The second suggestion was that the specifications ought to be drawn up, not by the Inspectorates, but by certain officers in the Supply Department, and they should be in simple language and if ever my Honourable friend would agree in increasing the number of electorates from three to four, and the Supply Department Committee may go into instances then these specifications should periodically be examined by the members of the Supply Committee

The Honourable Sir Muhammad Zafrullah Khan: Then God help the suppliers

Dr. Sir Ziauddin Ahmad: It is not the supplies—it is the specifications.

The Honourable Sir Muhammad Zafrullah Khan: Oh, yes

Dr. Sir Ziauddin Ahmad: The Committee will only see the language, they will not have anything to do with the specification that is not to be in the language of the oracle of Delphi so that it cannot have two different meanings, and there is no loop-hole for getting hold of the contractor at the last moment The third point is rather important—that your system of inspection and the system under which you employ the persons is very faulty Now you have employed for a very important work inspectors on daily wages . . .

The Honourable Sir Muhammad Zafrullah Khan: Surely the Honourable Member has not forgotten that I have dealt with every one of these matters on the Supply Department cut motion and told him that I would look into this matter. It is no use churning the same water over and over again.

Dr. Sir Ziauddin Ahmad: I agree that every inspector is not on daily wages, there are some inspectors who belong to the permanent staff, but still it is not correct to have even one person on a daily wage, because these are rather important offices and we should try to improve it, it is no use to shut up our eyes from facts, it is no use to say, as it is often said, that there were great scandals during the previous War, that profiteering during the Great War was much more than the profiteering at the present moment. In those days there was no popular Assembly, but we are in a different position now. All these things are exposed to the public and they cannot be allowed to pass in the manner in which they were allowed to be passed in 1914-18. Therefore, we should make every effort to improve the position. If you really want the co-operation of the public in this matter, then it is your bounden duty to concentrate your mind to utilise the resources of the country in the most economical manner. Anyone who shuts up his eyes is not loyal to the country. He is certainly not loyal to the tax-payer, and not loyal to the whole business. With regard to this Inspectorate I was talking about, we should stop altogether the system of having any Inspectors on daily wages. There must be a regular permanent staff as we did in the case of the Indian Stores Department in days gone by. I do not mind if they are military officers or they may be drawn from the old Indian Stores Department, but it should be a responsible body and should be on permanent staff. They should not enjoy an income on which no income-tax can be levied, but they should draw an amount on which they should pay the income-tax. An inquiry should be made in this, and then things will be set right. That is really very desirable and we ought to do it.

My next point is that you will have to develop new industries. Your Director of Purchase should really find out important articles. Some of the specimens are passed by your Chief Controller or Chief Examiner immediately, but some of them take a long time to get through. The system that we would like to have is that all these controlling officers in Lahore, Bombay, Calcutta and other places should send all the specimens to the Centre, and, without mentioning the names, they should be sent to any of these other places for testing, and an early reply should be asked for. That is the next improvement that I wanted to suggest. As I said, the inspection should be improved, and there should be an appeal from the Inspector to some higher authorities, so that, if any person is aggrieved from the point of view of inspection, he should be able to appeal to the higher authorities in the same manner as we do in the case of examinations. If any candidate is not satisfied with the marks given by the examiner, he has got the right to have his papers re-examined.

The last thing that I wish to suggest is that we should improve the system of tenders. We have two systems of tenders,—the open system and the negotiation system. What we call "limited tenders" should be done away with as they lead to favouritism. I want the Honourable Member to introduce these changes in the Supply Department if he wants to minimise the corruption. Do not wait for me to prove the corruptions that are going on. You have got better sources of information.

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than I have I am certain that you already know what I am telling you Institute an inquiry, and, by means of your Intelligence Department, find out the facts of the case Then, punish those who are responsible for the mistakes, and you will find that the whole country is behind you

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division Non-Muhammadan Rural) Sir, we have been hearing the discussion on the Finance Bill for the last four or five days, but we have not yet been able to come to a decision whether the several taxes mentioned in the Finance Bill and the amount to be borrowed to balance the Budget will be profitable for our purposes or not Sir, the Finance Bill is practically a Memorandum of taxes in connection with the Budget, and it is a pity that we have no voice either in framing the constitution, or in framing the policy of taxation So, when the Finance Bill comes before us, year after year, we have to take it as it comes Even if we throw it out it will continue to operate as it is framed Nothing can be changed, not a comma or full stop, even if we oppose it by majority of our votes, and that has been our experience year after year To me it seems that it is the duty of the Finance Member to indicate in his Budget speech the real financial condition of India and on the actualities to decide the future possibilities of our administration

The Government of India Act has created a very anomalous position In the provinces the Provincial Autonomy is going on but that is not the case at the Centre In the Centre we are thinking in one line and the provinces are going on in their own way quite on a different line The old fiscal system remains and really we do not know on what lines we should discuss this Finance Bill Not only the fiscal system remains as it was before but the defence also remains the same We cannot have any voice in the defence of our own country Whatever the Government propose to do, they do it whether we accept it or not and whether we feel it to be really beneficial to the country or not

The Congress Party is not present in the House today simply because they thought that it was not worth their while because the Government did not condescend to accept any of their proposals or demand But personally speaking, I feel that the Congress should not have given up the Ministries in the Provinces at this moment and should not have absented themselves from this House It is a pity that we cannot really give the required emphasis on or force to this matter without them India today is feeling utterly helpless despite her infinite possibilities

Sir, the war is going on in other parts of the world and it is said that the war is being fought for the sake of democracy and for the protection of civilisation and in the name of culture and all that is held sacred by humanity But here in India 400 millions of people stand as slaves subjugated by a foreign power and made to stake their all for the sake of this war Willy-nilly they have to do it They are helpless To speak the truth, there is no inducement held out before India to take any earnest part in the war If India's national aspirations were respected, she would willingly help England

Now, Sir, what is the economic position of India? Have we got any economic felicity compared with other countries? It is dinned into our ears that India is an agricultural country and as such it cannot compete

with industrial countries in the world. It cannot economically prosper as other industrial countries. It is due to the propaganda of interested people that India has all along been painted to be an agricultural country. Formerly India has been both an agricultural and an industrial country. India had been a self contained country formerly. India was in a flourishing condition both agriculturally and industrially and she used to send abroad her industrial products. India's industry has been slowly ruined. That is a sad story and every one who has read the history of India since the days of the East India Company knows very well how our industries have been ruined. Since the administration has been transferred to the Crown, the exploitation has gone on unabated for centuries and today India stands purely as an agricultural country. How can India feel any enthusiasm to help the Englishmen in this war? Even at present there is no response from the Government with regard to the future possibilities of India. I therefore, suggest, that the Honourable the Commerce Member should give us first of all, information if he is privileged to do that, about the economic programme and policy for India's economic benefit in the future. He spoke yesterday and his speech made a great impression that he has been trying to do some good, that he has been trying to give us some hope on economic grounds, but that he could not give us anything regarding future of our shipping. We have been told that something will be done after the war. But that something which might be done after the war would not satisfy India. India expects a fair deal now when she is trying to help England. India is now giving everything in the shape of assistance to England. India helped England in the last Great War and since all pledges have been broken in the past, India cannot now rest on promises of the future. She demands positive something to be done here and now. It is not a difficult thing to do that something positive here and now. Where there is a will there is a way. The world is undergoing rapid changes, but India knows no change. Her interest continues to be the same for centuries. Whatever may be the scientific discoveries in the world, whatever may be the progress in other countries, the Indian agriculturist remains the same, dragging along a miserable life from day to day, bereft of the use of knowledge brought about by scientific advancement in the west, bereft of all the good that comes in its wake. The inefficiency of India's agriculture remains the same, the ignorance and helplessness of the vast majority of Indian people remains the same, the dependence of Indian people on foreigners remains the same, the appalling poverty continues the same through centuries and yet there is a Government which calls itself civilised and well-organized, looking on apathetically and creating divisions amongst us. This Government has proved itself to the hilt to have been a Government for exploiting the country and for not doing any good whatsoever to this country. Yet this country is asked to stand by England at this hour of crisis.

Sir if India lives, England will live. Therefore, Sir, I appeal to those who are in charge of this Government to rise to the occasion and consider how they can stop this exploitation and make India really helpful to them. Sir, I do not lay the whole blame on Government, we, the educated middle classes, have helped them in this exploitation and we now feel that we have done wrong. The exploitation that has been done during these two centuries has not been done by the Europeans and Government only; we the educated middle classes have enriched ourselves at the cost of these poor agriculturists and we cannot claim to be free

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from this charge. Today such a big country with such infinite opportunities of greatness and such potentiality has to remain a silent onlooker depending on the good wishes of a foreign Government. It is high time that we Indians should find out the reason for such an impossible situation. We have been depending on England for all that we strive and stand for, we have given up all sorts of undertakings or activities only with a view to make ourselves comfortable at the cost of the poor peasants and labourers and we cannot feel that Government alone are responsible for this. Sir, it has been said that India is not doing what it should have done, it is said that India should do more. But where is the capacity of India to do more at the present moment? The poverty of the people is known to everybody, everybody knows the taxable capacity of the people, and when war demands that crores and crores should be coming forth either by taxation or by borrowing, one wonders what is there in the future of India. India has been serving England for about two centuries and England has been exploiting India for about two centuries. That is the relation between England and India. And at this moment if India really is to help England those who are governing India should consider the whole past history and out of the present should frame the future history.

Sir, England is in the midst of a devastating war. We feel it. Our relations with England have become so complex that any crisis coming over to England will have to be shared by us and consequently we have to support England in this crisis. But if they wanted India to join her in this war, was it not proper and fair to make India feel justified in joining this war and joining it voluntarily and with a determination to win? At the last war there was a feeling that England must win but to speak the truth in the streets and everywhere that feeling is now wanting. People do not feel the same enthusiasm that they felt at the last Great War. Really there is a class of people who ask why England is at war at all! If she was at war to make those nations, who have been conquered by Germany, free England should have declared freedom for India at the outset. Without showing any sign of freeing India, without showing any sign of real friendly feeling towards India she has been telling the world that England is fighting freedom's war. Sir, India will take it seriously if she finds that the British Government is really showing an inclination to treat India as a friend and ally. But that is neither here nor there,—that is not found anywhere. We are not getting any sign from the British Government to assure India of her status either during the war or after it. The war requires a mint of money and the Supply Department is really spending crores on defence. But is the Supply Department meant for the defence of India? Are not those things which are supplied sent away to other countries where war is going on? And, if, God forbid, there comes an aggression on India, will there be anything left to defend India? That is the question which I put to the Honourable the Defence Member. Whatever war materials are being manufactured are being sent away somewhere else. In case there is an aggression on India, could India be protected? Is there any Navy worth the name for the protection of India? Is there any Air Force ready to protect India? I hope, Sir, the Honourable the Defence Member will give us sufficient information as to the preparations which are meant for India's defence. It may be that our gallant men are fighting in Africa, it may be that they are getting supplies from

India, but there is no knowing what is waiting for India in the next few months. The progress of the war is uncertain. We do not know what fate has in store for us. The silence of the Russian people and the silence of the Muslim countries are really ominous, and the advent of the German force in the Balkans is upsetting the whole programme of the war. They are approaching India,—coming nearer and nearer and on this side Japan is waiting in Thailand and Indo-China. It is naturally apprehended that the war is at the gate of India, and if the defence supplies are really meant for India, we hope the Honourable the Defence Member will give us an assurance that he has got sufficient men and sufficient weapons and sufficient munitions and all those things that are required for the defence of this country. I, therefore, ask the Leader of the House to give us an assurance about the Supply Department. If all the present supplies are meant to be sent away what is going to be kept for the protection of India if India is attacked?

His Excellency the Commander-in-Chief has said that he wants men from all provinces, from all communities from all races. I do not know what he really means to give effect to what he has said. It is a large programme no doubt. Indians must be prepared to defend their own land; it is their own home, and for the defence of India Indians should be recruited in large numbers and every Indian should be prepared for the defence of India. If that is not done, then India cannot defend herself with a handful of soldiers. An unprepared India can never defend herself, and all these Defence and Supply Departments will be of no use if that is not done. We feel that India has a right to ask the Defence Department what they really mean to do with regard to India. Apart from the commercial and industrial side, the main point or issue now is the problem of defence. What is it that we see in the Budget? The whole of the extra money is declared for the defence of India, and if India is prepared for national defence, if she knows that the cause is right, if she knows that by fighting this war, she will get her own freedom if she finds that those who are professing to fight for freedom will really give freedom to India, then she will fight. Every man has his value and every man wants to see that if he stakes his life he will get something in return, either for himself or for his future countrymen. It is always said that unless India becomes united, she cannot have freedom, she cannot have her own Government. That is the slogan which has been raised of late, that we Hindus and Muslims cannot get what we want unless we make up our differences. Sir, although I really feel that the leaders of different communal associations—the Honourable Mr Jinnah is wanting his Pakistan, Mr Savarkar is wanting his Hindustan, and Mahatma Gandhi is wanting his independence through non-violence, they have to unite, but, Sir, the slogan is only a plea on the part of Government to do nothing.

Sir Syed Raza Ali (Cities of the United Provinces Muhammadan Ulban) That is the surest of all!

Mr. Amarendra Nath Chattopadhyaya: Sir, undoubtedly every one of them, I mean the leaders are responsible for this hapless condition of India at the present moment. Really speaking, I should ask these friends who are thinking of communal interests to consider and think thrice does the Honourable Mr Jinnah mean to say that he would prefer slavery to Pakistan, and that if he does not get Pakistan, he will remain a slave and

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that if Pandit Savarkar does not get his Hindustan, he will remain a slave, and that Mahatma Gandhi would prefer his non-violence to an independent India? These are questions which they should answer to themselves. There can not be any difference between the leaders if they really think on the lines of humanism. It is the right of every man to be free, be he a Muslim, be he a Hindu, be he a Christian. He must be a free man otherwise he cannot be anything else. What is communalism? Today a man is a Christian, tomorrow he is a Hindu, the day after he is a Muslim, and the fourth day he is a Hindu again. Religion has become a separable accident of life like the clothing we wear—it can be changed in practice at sweet will and pleasure whenever required, and yet it is on these communal lines that our leaders have been fighting for an imaginary situation. It is a pity that after two centuries of slavery they do not feel the shame of it, they do not feel the disgrace of it knowing that it is for freedom that England is fighting today—a fight the like of which no one has ever seen in this world so far.—Britons never shall be slaves, that is the teaching of all Britons to their children and they are really fighting the battle of freedom, and we are sitting here and idling and quarrelling about our communal differences, and we are

Pandit Lakshmi Kanta Maitra (Presidency Division Non-Muhammadan Rural) On a point of order, Sir when an Honourable Member of this House is addressing this House, is it open to Members of the Treasury Benches to indulge in roars of laughter and give no importance to the speech?

Mr. Deputy President (Mr Akhil Chandra Datta). Mr Chatto-padhyaya

Mr. Amarendra Nath Chattopadhyaya: Sir, I don't mind

Sir, if India has to live, she has to live like an independent country. If Indians have to live, they have to live as an independent nation. If that is not possible, I do not think India has any duty by England or any right to live. Sir, India is our country. Our existence, past, present and future, is bound up with the destinies of this country. Consequently at this critical hour of trial, we must sink all our internal differences. I am sorry Mr Jinnah is not present here today, but I would ask my Muslim friends to think in the way I am doing. Let my friends remember that India is a slave country, India is a land of slaves, she has to be free, and if she is to be free, Indians must unite. If they do not unite at this critical hour, they can have no voice to claim independence or to be free. It may be that Hindu Mahasabhatas may think that they can make the country free by their methods, viz., organising the Hindus only, but I do not agree with them. Sir, the previous history of India will show that our forefathers had committed many blunders in the past. When the Mussalmans were being ousted by the British, we Indian conquered the country for them. It was not the British soldier who conquered the country. It was the Indian soldier who helped the conquest of India. And today India has again to struggle to become free by helping England in this war. We must not allow any conqueror to come and conquer this country by ousting the British. We have to fight our way against the British people, and if we have to do that, we must show a united stand, but with all our differences, we cannot

but help these people at this crisis. Therefore, in order to make India free, we must first have unity among ourselves.

The Allies are fighting a bitter fight in the West against the Axis powers with Russia behind them, while some countries are quietly watching the progress of the war. But what is the position of India? India is being dragged into the war without her consent, because it is the custom of a slave to be dragged by the master. Unless, therefore, the intelligentsia, those who are really helping England at this hour of trial with men and money are given an assurance about the future of this country, I am afraid India will not render them as much assistance in men, money and material resources to the extent she would otherwise have done.

Sir, it has been our painful experience in this House to find that our European friends in this House feel that they are not in India, they do not feel that they are a part of the Indian public. We have at all times found them ready to vote with the Government, irrespective of the magnitude and importance of the question in relation to India.

Mr. M. S. Aney: Shame

An Honourable Member: Blood is thicker than water

Mr. Amarendra Nath Chattopadhyaya: Yes, blood is thicker than water, and as such they can justify their own action. I want to tell them that they will be better friends of England, they will be rendering real service to England, if they would make India their home now, and treat Indians as their own people and feel that what is good for India is good for them as well, and not to think in terms of feelings or pride which existed in the first century of conquest. The war is fought in the interest of England, while they have kept India as a slave all these years. But the time has now come when they should no longer treat India in the way they have been treating her.

Sir, the financial condition of England compared with that of Germany is really very poor. England has to go out for financial help and for assistance in men and material. Within seven years Hitler has been able to organize the country in such a manner that he is able to threaten the entire civilized nation; he is now challenging the whole world. Now, what was the economical organization which made Germany so great and powerful in such a short space of time?

The Honourable Sir Jeremy Raisman: Loot ?

An Honourable Member: Youth movement

Mr. Amarendra Nath Chattopadhyaya: Yes, it is the youth movement and a peculiar organization of economics.

The Honourable Sir Jeremy Raisman: The economics of loot

Mr. Amarendra Nath Chattopadhyaya: Whom has he looted?

The Honourable Sir Jeremy Raisman: The whole of Europe.

Mr. Amarendra Nath Chattopadhyaya: England has looted India for centuries, and it is the same case even now. Now, compare Germany's economic condition today with that of England. England has to seek the help of America. Why? America became independent in 1776 rising against taxation by England, and now she is an ally, whereas India which has been bound up with England for centuries is still a slave. Sir, it is a shame, it is a disgrace that the British Government should still treat India as a slave country. It is a sin, it is a crime to keep India under subjugation. But words do not break bones. The more I speak the worst it becomes. It is impossible to maintain equanimity of temper.

An Honourable Member: from the European Group: Hear, Hear .

Mr. Amarendra Nath Chattopadhyaya: Sir, the present financial condition of India does not allow us to raise more money, yet we shall have to help England. Our financial magnates, Baronets and Directors of companies from Bombay have thrown out suggestions to Government how to raise the money. The whole responsibility lies on the shoulders of the Finance Member to raise money, the whole thing lies now in the organization of finances.

The Commerce Member, the Defence Member and the Leader of the House who is in charge of supply should plan a really economic organization and find out the best way possible, the easiest way possible to make India help England with willingness, with determination to win this war.

[At this stage, Mr President (The Honourable Sir Abdur Rahim) resumed the Chair]

The Honourable the Home Member has a very onerous task to do. He has kept people in prison without trial. He has sent satyagrahis to jail, though I confess that they have gone there of their own account. But at this critical moment I should draw his attention to the actual situation. He should make the people of India believe that the interests of England and the interests of India are the same. He has to create a war atmosphere so that men may be willing and ready to join this war and be eager to help England in her trouble. Sir, danger is not to be trifled with. Whoever be he, in whatever position he be, he ought to think thrice before he decides anything with regard to this war. Knowing that the economic position of England and India to be very poor and miserable, knowing that the Government has created a lot of trouble to India, by disarming the Indians and making them non-martial, the Government must now give training to young men of India in the universities, train them up for the war and by every means in their power gain the goodwill of India. The Honourable Member should now release all political prisoners. He should be more liberal in his dealings with the political leaders, he should be more considerate, he should be more human than what he is today. I would like to suggest to him that he should release the detenus at once without any fear from them. England is not in fear of Germany, why should she be in fear of detenus and political prisoners of India. In Bengal, people have been rotting in jail for years and years. He may say it is a Provincial matter and he cannot interfere. That is an anomaly against which we are fighting. Without making the Centre as it should have been—according to the Government of India Act of 1935, the autonomy of the provinces is a misnomer, it is useless. Therefore, the Congress had to give

up as it was not workable, and on that basis the Provincial Governments are working, and the Central Government has got an excuse of keeping these men in jail for years and years. This is a time when liberal and human consideration should prevail and if anything can bring back the confidence of the people in the Government, it should be done without any delay. A little courage is wanted and nothing else.

We do not know what he will do, here, Sir, I am constrained to say something which may hurt him. In his last speech he gave us some anecdotes about the satyagrahi prisoners, about a girl who did not or could not cross examine when she was in the dock. I am afraid that when a British soldier is asked to cross-examine if he is put in the dock, or if he is asked why he is fighting, he won't be able to say why. He is not to say why, he is to carry out orders. And the girl had to carry out the order of the Government, the Congress Government. She had to cry out a slogan and she cried out, she had to shout out a slogan and had nothing to do with the why, she was carrying out orders. The anecdote about father sending Rs 100—that is the unfortunate situation in India. While the son is a revolutionary the father is a loyalist. When the father and the son will both be revolutionaries there will be a free India. That is the situation. If the father sent money to pay the fine on his son, that was because he was the father and a loyal citizen of the Government. It was not a matter for ridicule, it was not a matter for laughter, it was a matter for deep serious thought. It is very easy from his position here to hold to ridicule the movement that is going on. Let him do that. We may differ in our opinions about movements that are going on. But why does a movement gain momentum? It is the bad behaviour and conduct of the Government that is responsible for any movement that goes on in India during war and may come after the war. England never prepares before time, that is the position. Today England is fighting the war with such handicaps that she has been compelled to go from door to door in quest of weapons, while she has four hundred millions of Indians who would be only too willing to fight if India were given freedom. 400 millions of Indians would have stood by her side willingly, but, Sir, today she has lost her chance. Opportunities come only once or twice in the lifetime of a nation or of an individual and if that opportunity is not taken advantage of, the nation or the individual has to suffer. I beg of my Muslim friends here also, "The opportunity is here to unite and fight for freedom. Let not anything stand in the way of our fighting for our freedom. If we have to co-operate with the British let us co-operate with a full heart. If we have to fight, let us fight with a full heart. Let us be united."

Therefore, the question comes down to this, that if this defence is to be done in the right way, the Defence Member or His Excellency the Commander-in-Chief has to take us into his confidence. The Leader of the House will have to take us into his confidence, and he will have to show that all the money that he is getting from India is being spent rightly, spent for the protection of India, for the defence of India against future aggression. Simply raising men and munitions and sending them away to different parts of the world without keeping anything for the defence of India will be a bad policy, and the people of India have got a right to ask that the defence of India must be a thing which should be open to Indians and it should be in the hands of Indians. A few thousands of British soldiers and a few lakhs of Indian soldiers will not be sufficient for the defence of India. We require a larger number of people to defend India.

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We have got a sea board of 4,000 miles and if that 4,000 miles is not protected by a Navy, who can save India if she is attacked from both sides Therefore, the situation requires a good deal of serious consideration.

Sir, so far as the defence is concerned, I tell the Honourable Member that India is ready to defend herself against any aggression provided she is treated as an equal, provided she is well equipped provided she is convinced that she is fighting a right cause The Government should try to convince the Indian people about their *bona fides*, that they are really fighting for freedom If they are fighting for the freedom of Poland, Denmark and Holland, why should they keep India a slave country? These 400 millions of people be free at once and treated as an ally and a friend That is my suggestion for the defence of India India will defend England willingly and determinedly if she is assured of her future

Sir, this is a war budget The burden of taxation has been increased from 14 crores in 1938-39 to 40 crores In 1940-41, the normal defence expenditure increased to 72 crores from 50 crores and in 1941-42, that has shot up to 82 crores There is also an additional expenditure of 2½ crores in civil administration on account of war Not only this The Finance Member has stated, in addition to this, that India has cost of supplies and services rendered to His Majesty's Government—which is substantially greater than the increase in the defence budget The total contribution in defence loans is over 50 crores The Finance Member has shown that 20.46 crores has been the deficit of which 14 crores will have to be borrowed But actually the deficit is 37 crores of which 14 crores is to be met by borrowing The question is what really is or will be the total burden on the taxpayer of India and who will really bear the burden The tax payer of India will have to bear all this burden The tax on matches and on tyres and tubes will fall on the poor Income-tax falls on the middle classes and the super-tax and the excess profits tax on the rich But really speaking all taxes have to be borne by the poor That is the burden on the poor The rich men pay out of the money of the poor man The middle classes pay out of the poor So whatever taxes are levied, it is the poor man who pays It may sound a little awkward and enigmatic but if these rich men really examine their own coffers, they will find out the truth that they have earned their profits at the cost of the poor man *viz*, peasants and labourers Whatever taxes are levied they go to increase the poverty of the people at the bottom Consequently the Commerce Member will have to find out how far he can tax the commodities The match box has been already taxed and if you put further taxes it will be very difficult for the poor man to buy his necessities The Honourable the Finance Member should consider how much he can help the poor by reducing the tax which he has fixed at the present

I have already spoken about the economic position of our country and really the Honourable the Commerce Member knows that India is a poor country Therefore, with a view to raise taxes, he should take into consideration whether he should advise the Honourable the Finance Member to borrow more money rather than have resort to taxation The question of borrowing has been dealt with very ably by Sir Cowasji Jehangir and I have nothing more to say on that I would only request the Honourable the Commerce Member to advise the Honourable the Finance Member

as to what are the commodities that can really stand taxation. I do not think there are any commodities which can stand further taxation. It is his business to find out what is the proper commodity which may be taxed safely and the Honourable the Finance Member should take care to see that he does not levy any taxes which lead directly to add to the burden on the poor people.

In our country the people are abnormally poor. Exports have been stopped. Prices of things have gone down. The purchasing power of the people has gone down and in consequence of that there is always a dire want in the villages and sitting here he cannot feel what is happening in the villages. I think he should tour in the villages and see how they are passing their days. Sir, we find fault with our Congress workers but we know that those Congress workers who go into the villages can give the Honourable the Commerce Member a true picture of the poverty of the poor people. They are not only poor, they are absolutely helpless. The landlord, the police, the *chaukidar*—everybody is fleecing them and if Government now levy taxes on the necessities of life, it will add to their poverty and misery and I believe they will not be able to bear the burden. These are the people who are producing the real wealth of the nation, and if these people become absolutely helpless by any act of the Government at the present moment, well, Sir, sixty per cent of the Indian people will suffer, and, with them the major portion of the rest. Taking this fact into consideration, I hope the Honourable the Finance Member will take this opportunity to advise the Honourable the Commerce Member not to tax those commodities such as will go directly to create sufferings of the people.

Sir, it is indeed a matter of controversy if I should now speak on matters which will have to be done in peace time, but, Sir, whatever I am saying now is in anticipation of British victory. God forbid, if there be no victory, well, then we don't know where we should be.

Lieutenant-Colonel Sir Henry Gidney: In that case there will be no Commerce Member and no Finance Member.

Mr. Amarendra Nath Chattopadhyaya: but in the anticipation of British victory, they will have to rack their brains to create a regular economic programme both on agricultural, industrial and commercial lines. Sir, with regard to what the Honourable the Commerce Member has been thinking about Commerce—our exports and imports, may I ask,—Sir, what is commerce without a national shipping? Commerce without a national shipping is a misnomer, it is pure and simple exploitation, if we do want to create a regular commerce for India, we have to create our own ships, construct and organise our own shipping. Sir, this question of shipping has been kept waiting for years and the small shipping companies which have been operating on the coasts are suffering under the handicap of competition. Sir, really speaking, the Honourable the Commerce Member has a very responsible task to do. He will have to find out ways and means for creating a regular shipping for India without depending on any other nation on earth and compete with them; we can have it if we will. Sir, Government was not at all inclined to do it previously, but henceforth, if the Government really feel the situation as created now, they will have to do it. Sir, we in India are living in the past. Whatever

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was done by the Government is being continued for centuries. The land revenue system remains the same, the fiscal system, though at times it is changed, remains the same in principle, it does not help India. Sir, now that Government are taking up marketing, now that Government are thinking of improving the crops, cotton, jute and all these things, that business should be organized. It should be democratised. More people should be taken into confidence. The people who are agriculturists, the people who are trading, the people who are engaged in commerce, all these should be taken into confidence so as to create a real atmosphere of economic independence. Unless that is done, the Government will fail to do anything in the way of ameliorating the condition of the poor people in the country. Sir, the economic condition of the country depends upon such real organization, that substantial organization by men who really love India, who really will do something to create a good and healthy atmosphere in India without thinking of any other country at any rate so long as India does not stand on her own legs. That is the situation, Sir, at the present moment. India is feeling absolutely helpless from all points of view. Where does she stand now? Helpless, utterly helpless all round. She cannot have her say in any thing, she cannot do anything to protect herself and purely from that point of view I would request the Commerce Member and I would request the Finance Member to view India in the spirit in which I am placing her before them.

Sir, the Honourable the Commerce Member yesterday said that he did not agree with those people who want to make India a thoroughly industrial country. Sir, I am afraid he has not appreciated the thing in the spirit in which we are thinking of the problem. Sir, India produces raw materials for the world. The whole comes to India for raw materials, and there is no harm if India produces these raw materials but she ought to have the scope of industrializing the country without difficulty, if she gets the material for doing it, why should she depend upon another country for manufactured goods at all? Why should not India be free, absolutely free from the economic demands of other countries? They will come to us to purchase their necessities, but why should we depend upon other countries for our purchases? If there was no scope within India, if we could not really produce things, if we did not have the brains, if we did not have the engineers and scientists, well, we could have accepted his dictum that India should not be highly industrialized. Sir, industry, commerce and agriculture go together and that country is fortunate where agriculture, industry and commerce can go together without depending upon any other country, and that country is India. Sir, we had our village industries and we must have our modern industries, we shall make our own necessities, and we should not depend upon other countries. Sir, there is another question. The difference between inland trade and commerce we have forgotten. Inland trade we do not care for. We are always thinking of our exports and imports. Sir, India is a big continent, and with all these four hundred million people, we can have a very big inland trade and if we do not mind our inland trade, if we do not mind organizing our cottage industries, if we do not mind organizing our home industries, and if we do not mind organizing our modern industries, we shall mind nothing for India. Therefore, I would ask the Commerce Member to give us an idea of the policy and programme which he intends to follow.

But, Sir, I congratulate him here on one thing, *viz*, that he has set the ball rolling. He has created that atmosphere by forming the Scientific Research Board, but, Sir, the money that he has got for that Board is only five lakhs of rupees, it is absolutely nothing, five lakhs for research is, I should say, nothing. He should ask the Honourable the Finance Member to give him five crores of rupees for that if he really means to do research on scientific basis and to do real industrial work in India. But at this moment he cannot ask for so much money and, therefore, he should get at least 50 lakhs of rupees. He has got a very good Board and he has got really good men to do the research work. In the course of a year or two, I am sure India will be able to industrialise in many things. If the research goes on into more and more industries as the time passes, we believe that the Honourable the Commerce Member's wishes with regard to the future of the industries of India after the war will not remain unfulfilled. We should not depend upon others to tell us what industries should be taken up. If the Honourable the Commerce Member can place before the country all sorts of industrial possibilities during this war, then immediately after the war we may have several industries started with the result that most of the men who are engaged now on war efforts will be absorbed after the war is over. If industrial researches are successfully made, capitalists may be tempted to come with their money. It is the Government who can do it. In other countries where the economic situation is daily improving, it is because they are nationalising the whole industry. Of course, the capitalists must be guaranteed of some dividend with which they will be satisfied and there will be no competition in the market about that. Really speaking, we have not been given any programme or plan of economic arrangements in India. Up to this time the whole arrangement was for exploitation. Now, the whole thing has to be changed. It must be done with a view to make India free from all countries with regard to her supplies and with regard to her necessities. That can be done only by industrial regeneration. It is a pity, Sir, that we have been crying hoarse for years about India's economic possibilities and at this moment it is really impossible to bring home to the Government the necessity of spending money on economic arrangements when the war is on. The war is absorbing the whole attention of the Government and it is really not proper to speak on these matters when the war is so much engaging us. But the war will end one day and we will have to take things as they come.

The Honourable the Commerce Member said yesterday what would be the position of those who are now employed in the war effort after the war. In considering this matter, he will have to take into consideration all possibilities, the possibilities of the agricultural industry, of machinery and of cottage industries. He will have to keep a plan ready before him. If he does do that now, he will be really confounded when unemployment not only from those who are employed now but unemployment from those who remain unemployed will add to his troubles. If he really means business and if he really thinks of India in terms of India, then he will have to take this into his serious consideration. With regard to the different industries, I have already suggested to the Commerce Member that he should advise the Honourable the Finance Member to find out the commodities which should be taxed. I do not know if this suggestion will commend itself to him. Fortunately, this year the salt remains as it was. But with regard to sugar the controversy remains the same. With regard

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to sugar, the Honourable the Commerce Member has given us to understand that he is going to appoint an Advisory Committee. It was said that there was a surplus production of sugar. Really speaking, that surplus was due only to the ban against exports. If India could export, then that surplus would not have remained. Not only that, everything depends upon proper organisation, an organisation with a view to help those who are interested in the industry and any loss incurred by any Indian company at the present moment should be a warning against the future possibilities. Sugar, salt and matches are the three commodities which are of daily use and the whole population use them. Sugar is, of course, a little dearer than *gur* and, therefore, the poor people cannot use it. So, Government should take care to protect the interests not only of the cane grower but make it possible for the factories to bring it at such a cost that it would be purchaseable by the general people.

Sir, really speaking, in our daily life we live because we do not die. We cannot die every day and, therefore, we are alive. We do not care to adjust things with a view to make our lives useful, to make our lives happy. We are the greatest sinners in this respect with regard to the poor agriculturists and the labourers. Those who dare to speak of labour or the peasantry, are dubbed as communists and they are hounded out. India does not move. She will have to remain where she was two or three centuries ago. The Government on the one side will take these young men who are working for the peasants and for the labour and dub them as communists and send them to jail. If these people who befriend these poor men and these peasants speak about capitalists, they will find fault with them. So the poor people who want to help the labour and the peasantry find themselves between the horns of a dilemma. They are between the Government displeasure on the one hand, the displeasure of the capitalists on the other and consequently nobody can speak on behalf of the poor labour without fear of arrest and persecution. It is for the Government now who are feeling the economic difficulties during the war who are feeling all the difficulties that have accrued just at the present moment about the war efforts that they should now find out ways and means to see that a new organisation is set up with a view to improve the conditions of the peasants and the labourers. Unless their condition is improved the condition of India cannot improve at all. You can find a few millionaires here and there but that does not solve the national question. We find big merchants rolling in wealth in India, we find there are real capitalists in towns, but the moment you go into the villages you find the remarkable difference. Unless a regular organization is set up at once by Government, nothing can be done in India for the peasants and labourers.

Really speaking I find it very difficult to speak with regard to ourselves. I do not lay the whole blame at the door of the Government. What have we done to our country? What have we done to our people? How much have we felt for the poor? That is the question which we should answer for ourselves. We are fighting for freedom. We are fighting for freedom of speech.

The Honourable Sir Muhammad Zafrullah Khan: Others are fighting for freedom of speech too

Mr. Amarendranath Chattopadhyaya: Freedom means freedom of speech, freedom of association, freedom of organization and freedom of growth. It is not wrong to demand freedom of speech. Really speaking, Sir, they do not know what is the objective of the British Government in entering into the war. They want freedom of speech. There are conscientious objectors to this war. Why should there be bloodshed for nothing? If India remains dependent upon England, why should there be war at all for freedom and, therefore, some Indians have decided to speak against the war?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I have been misunderstood. Other Honourable Members are waiting for freedom of speech.

Mr. Amarendra Nath Chattopadhyaya: With a view to improving the economic position of India, it is fundamentally necessary to overhaul the whole system. I am glad to see two Indian Members at the head of two important Departments—one the Commerce Member and the other is the Member for Supplies. Of course, Supply Department is a temporary Department. That will save us from the scandal of the Munitions Board. That is true. The Honourable Member for Commerce said that he is afraid about the future of India when the Supply Department will not be there. Now, Sir, in anticipation of victory Government should be ready to meet all the demands. For that purpose the whole system should be overhauled and a programme should be framed now with a view to put it into effect immediately after the war. We know this is a large programme and it requires a good deal of consideration.

Mr. President (The Honourable Sir Abdul Rehnum) I think the Honourable Member has said that so often.

Mr. Amarendra Nath Chattopadhyaya: If I take up each and every Department it will take more than two hours. If I take the Department which is directed by my Honourable friend Sir Gurunath Bewoor, it will take a lot of time. I am somewhat connected with the Postal Department.

Sir F. E. James: The Honourable Member may assume that there is a scandal in every Department.

Mr. Amarendra Nath Chattopadhyaya: My Honourable friend Sir F. E. James, suggests to me that I can take it for granted that there is a scandal in every Department. I do not take it in that light. Sir Gurunath Bewoor is a very nice and reasonable gentleman and he is held in respect by all his workers though they have many complaints. The Postal Department is one Department which has the reputation of being an honest Department. No one questions its honesty and the devoted service of its staff. But he has made this Department a very profitable concern of Government and that profit is made by derivation of the staff. The staff should be better paid and more men should be taken and that is the complaint that we hear outside. Even when he gets a good surplus he does not care to diminish the rates of postage. In spite of there being a good surplus the price of envelopes has been raised from one anna to five pice. Sir, economy is to be observed but really speaking economy

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should be observed at the top. If you go on economising at the bottom the efficiency of the Department will suffer. I, therefore, request the Honourable Member to take this into consideration.

Sir, I request the Honourable the Finance Member to revise his object of taxation and the commodities which he has chosen should be reconsidered. Match boxes should not be taxed. With regard to the excess profits tax it is an anomaly to me. How can there be excess profits? Why do not Government fix up the prices? They should fix a limit to the profits of the shareholders and also create a scale commensurate with the shareholders dividends for overhead charges, etc., and stop all possibility of excess profits. This excess profit is a misnomer. If you allow these excess profits to be made and then tax them, I do not understand its benefit at all. They should not allow any excess profits or abnormal profits to be made because it is the consumers who pay. All profits over and above what they would normally get have to be paid by the consumer and to charge excess profits tax is to take the tax from the consumer.

Sir, in conclusion, I will make an appeal to the Finance Member to consider the whole thing with a view to help India to make herself a willing partner of England and also enable her to pay taxes, if necessary, by economic arrangements.

The Honourable Sir Muhammad Zafrullah Khan: Sir, the irony of the situation is that the Honourable Member was not aware that since he started speaking, an arrangement had been arrived at between the Parties including Government with regard to the time-table of the remaining stages of the Finance Bill. I have to inform the House that it has been agreed that all speeches on the consideration motion except the speeches of Mr Anev and Nawabzada Liaqat Ali Khan should be finished by lunch time on the next day on which the House sits, i.e., Thursday, that after lunch the two Honourable Members whose names I have mentioned and the Honourable the Finance Member should speak and that the motion should be concluded on that day, that on Saturday the House should conclude the consideration of clauses, it being understood that Parties do not desire that speeches should be made on the third reading of the Bill.

Lieut.-Colonel Sir Henry Gidney: Sir, I rise to a point of order. The Leader of the House has just made a statement which practically tells every Member of the House to shut up. I will not shut up, I have a right to speak on this Bill, the same as the Honourable Member or my Honourable friend, Nawabzada Liaqat Ali Khan. I object to it.

Mr. President (The Honourable Sir Abdur Rahim) What does the Honourable Member object to?

Lieut -Colonel Sir Henry Gidney: I object to what the Leader of the House said. He had no right to say that. He cannot order a thing like that. We have a right which I ask you to protect.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member was perfectly justified in stating to the House the agreement that had been arrived at between the different Parties, and I shall see that the

debate is carried on accordingly Nawab Siddique Ali Khan will now speak I may inform the House that the Muslim League Party desired me to call speakers from their Party in the order in which certain names have been supplied to me

Nawab Siddique Ali Khan (Central Provinces and Berar Muhammadan) Sir, today I wish to discuss the political situation existing in our country Before I do so I will have to tell the simple and plain truth, but I may assure Honourable Members of this House that I do not want to embitter or hurt the feelings of anybody It is an admitted fact that there is political deadlock in the country, the question is as to who is responsible for this deadlock Controversy is going on with regard to this matter Some people say that the two major responsible and representative parties, i.e., the Muslim League and the Indian National Congress, are responsible for it We feel constrained to say that the entire responsibility rests with the British Government We have got of course some cogent reasons in support of our contention It is a well-known fact that sometime back it was decided to give some reforms In all probability it was because of the war It was said that Indians will be taken into confidence and that a due share in the administration of the country will be given to them With this idea in view His Excellency the Viceroy started consulting different leaders If I am not mistaken, about fifty leaders were invited by His Excellency the Viceroy The consultations, negotiations and clarifications took a final shape His Excellency's offer of the 8th August last has become a historical thing by now This offer was later substantiated and reaffirmed by the Secretary of State for India I am not concerned with other political parties in this country I will only put up the case of the Party to which I have the honour to belong My Party said in clear words that we do not want to press our demands at this critical juncture as you are involved in a life and death struggle We also did not want to embarrass you, as the Indian National Congress was doing, by asking people not to help you in your war efforts We offered our services We rightly thought that due to our helplessness, the position which you have created for us in India, in our own country, is such that in your defeat lies our defeat There are Indians who differ from us in this view They think that by the defeat of the Britishers we Indians, that is, we who are slaves in our own country, are not going to be affected they say that it will be only a change of masters, but they do not bother themselves to think for a moment whether the new master will be better one or a worse one than the present master However, we did not fall in line with them We said it was in our own interests that we should co-operate with you to bring the war to a successful termination We only demanded in return that we should have a due share in the administration of the country by appointing non-official advisers in those provinces where the constitution is under suspension, I mean in those provinces where Congress Governments were established Our second condition was that the official element should be wiped out from the Executive Council of His Excellency the Viceroy and instead of that we wanted a proper share His Excellency the Viceroy had given a pledge to the Honourable the Leader of my Party that he will go on with the expansion of the Executive Council even if the Congress Party did not come to share the burden of responsibility Events have shown us that you have broken the pledge This is not a new thing This has very often been done in the past You have turned a deaf ear to our request Your

[Nawab Siddique Ali Khan]

silence and indifference has led us to believe that you do not want to part with power. In those Governor's provinces where the administration is run by the help of the advisers, you will find dyarchy in its naked form, that is you will see a despotic and autocratic rule

Mr. M. S. Aney: It is pure autocracy there is no dyarchy now

Nawab Siddique Ali Khan: Yes, autocracy I am sure that this state of affairs cannot continue very long. Something shall have to be done to avert this crisis. Now, the persons responsible for this deadlock say that no constitutional advance can be made until and unless the two major parties, that is, the Congress and the Muslim League, come to a settlement, or in other words, there is perfect Hindu-Muslim unity. The wish is a pious one which has been expressed several times from different quarters. But I must say that our masters have not made the slightest attempt to solve the Hindu-Muslim problem. Then silence in this matter is understandable. If there is real Hindu-Muslim unity foreigners will have no place and India will be governed by Indians. The differences between Hindus and Muslims are such that there is no chance of them being patched up. Unfortunately the differences are becoming wider and wider day by day. (Interruption) My friend says 'No, no'. But he must face the reality. Muslims living in those provinces where they are in a microscopic minority very well know how the majority party behaved when they held the reins of government in their hands. Really it was a day of rejoicing and we breathed a sigh of relief when they vacated their offices. We went to Messrs. Bose, Gandhi Jawaharlal Nehru, Patel and Maulana Abul Kalam Azad with a request to redress our grievances. We could very well understand the silence of Mr. Subhas Chandra Bose because everybody knows that he was utterly helpless. The preacher of *ahimsa*, the champion of the poor, Mr. Gandhi, observed his usual Monday silence. The torch-bearer of nationalism—and let me add atheism—Mr. Jawaharlal Nehru, condescended to write in a stereotyped manner that he had referred the matter to the premier. The strong man of the Congress, Mr. Vallabhbhai Patel, who could summarily dismiss Nariman and Khare, followed his master Gandhi, the non-violent. The vice-regent of Prophet Muhammad (peace be on him) who was supposed to be in charge of the portfolio in the Congress high command of Muslims and Islam, did not think it proper to intervene as he thought that an allegation would be made against him that he was championing the cause of the Muslims.

Mr. President (The Honourable Sir Abdur Rahim) Perhaps the Honourable Member would like to stop now and resume his speech at the next meeting

The Assembly then adjourned till Eleven of the Clock on Thursday, the 20th March, 1941

LEGISLATIVE ASSEMBLY

Thursday, 20th March, 1941.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS

RAILWAY ACCIDENT NEAR JAIRAMPUR STATION, EASTERN BENGAL RAILWAY.

†423. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Honourable Member for Railways be pleased to state if he is aware of a Railway accident that took place on the 5th August, 1940, near Jairampur Station on the Eastern Bengal Railway, in which many passengers travelling by the Dacca Mail had met with serious injuries and some with death?

(b) How many persons were injured and how many of them were sent to hospitals?

(c) How many of the injured persons admitted to hospitals were cured after proper treatment in hospital and how many succumbed to their injuries?

(d) How many of them demanded compensation for injuries and loss of property?

The Honourable Sir Andrew Clow: (a) Yes

(b) I understand that the total number of the injured was 85 of whom 65 were treated in hospital

(c) Information received in January showed that 51 had been discharged. Eleven persons died in hospital

(d) I understand that about 50 claims were received

RAILWAY ACCIDENT NEAR JAIRAMPUR STATION, EASTERN BENGAL RAILWAY.

†424. *Mr. Amarendra Nath Chattopadhyaya: Has the Honourable the Railway Member received any legal notice for compensations from persons who were injured in the railway accident which occurred on the Eastern Bengal Railway on the 5th August, 1940? If so, how many and from whom have such notices been received and for what amounts, respectively?

The Honourable Sir Andrew Clow: Yes. All such notices received are sent on in original to the Railway Administration concerned and copies are not kept. I am, therefore, unable to supply the information asked for in the second part of the question, but the number of notices received was at least four.

†Answer to this question laid on the table, the questioner being absent

RAILWAY ACCIDENT NEAR JAIRAMPUR STATION, EASTERN BENGAL RAILWAY.

425. *Mr. Amarendra Nath Chattopadhyaya: (a) Has the Honourable Member for Railways given consideration to the notices received from persons who were injured in the railway accident on the Eastern Bengal Railway on the 5th August, 1940? If so, whether any compensation has been decided to be given to such injured persons as have given notices for compensation? If so, what? If not, why not?

(b) Is it a fact that on enquiry the Magistrate opined that there was no sabotage?

(c) Is it also a fact that the police report denies any sabotage?

(d) Is it a fact that the departmental enquiry declares that the incident took place on account of sabotage?

(e) Is it a fact that one gentleman amongst the victims, *viz.*, Jagdish Chandra Sen Gupta, had a wound on the head 4" deep and had ten other wounds on the body, for which he had to stay in the Campbell Hospital for about three months for recovery? Has he demanded compensation for injury and loss of property?

The Honourable Sir Andrew Clow: (a) I would refer the Honourable Member to the reply just given to his starred question No 424. No compensation was paid by the Railway Administration, which was in no way responsible for the accident.

(b) No magisterial enquiry was held.

(c) Government has not received any advice to this effect.

(d) I would refer the Honourable Member to the report of the Senior Government Inspector of Railways, a copy of which is in the Library of the House.

(e) I understand that a gentleman of this name was admitted to hospital for injuries to head and legs. I have no information as to the length of his stay in hospital. I understand a claim for compensation was made on his behalf.

SCALE OF PAY OF CERTAIN RETRENCHED AND SUBSEQUENTLY RE-EMPLOYED EMPLOYEES IN THE LOCO BRANCH OF MORADABAD DIVISION, EAST INDIAN RAILWAY

426. *Nawab Siddique Ali Khan: (a) Will the Honourable the Railway Member please state whether an employee retrenched during economy campaign of 1931 and subsequently re-employed is eligible for old scale of pay applicable to him prior to his retrenchment?

(b) Is it a fact that under orders of the Railway Board all such retrenched employees who were borne on the waiting list and re-appointed before 1st April, 1935, are eligible for old scales of pay?

(c) Was the Agent, East Indian Railway, delegated the powers to amend the orders of the Railway Board, as per his Minute Sheet No AE 2581/2, dated the 4th September, 1935?

(d) Is it a fact that certain employees in the Loco Branch of Moradabad Division were retrenched and later on re-employed before 1st April, 1935, and were allowed to get the old scale of pay which, after some years,

+ Answer to this question laid on the table, the questioner being absent.

was substituted by new scale of 1934? If so, what were the circumstances under which old pay was offered to such men, which was subsequently changed?

The Honourable Sir Andrew Clow: (a) Retrenched employees borne on a waiting list who were reappointed before the 1st April, 1936, are entitled to the old scales of pay, except those who were originally appointed after the 15th July, 1931, or had been appointed in a temporary capacity and had less than one year's service at the time of their retrenchment.

(b) Yes, except that the date is 1st April, 1936.

(c) No; the orders issued by the General Manager, East Indian Railway, referred to by the Honourable Member did not make any amendments to the orders issued by the Railway Board.

(d) The answer to the first part is in the affirmative. As regards the second part, the men were given the old scales of pay through a mistake.

Mr. Lalchand Navalrai: May I know from the Honourable Member whether the employees were given to understand that those who were on the waiting list would be given the old scales, and that those who were temporary would be given the new scales? Were they informed?

The Honourable Sir Andrew Clow: I cannot cite the orders at the moment, but orders were issued.

Mr. Lalchand Navalrai: Was any understanding given to them?

The Honourable Sir Andrew Clow: The men to whom this question refers were apparently given the old scales of pay initially.

DISCHARGE FROM SERVICE OF CERTAIN PERSONS IN THE LOCO BRANCH OF MORADABAD DIVISION, EAST INDIAN RAILWAY

427. *Nawab Siddique Ali Khan: (a) Will the Honourable the Railway Member please state whether it is a fact that in the Loco Branch of Moradabad Division of the East Indian Railway about seven persons have been discharged during the end of last year?

(b) Is it a fact that they were not given protection under Disciplinary Rules to defend themselves against allegations, which were investigated without their knowledge?

(c) What was the method of enquiry or investigation adopted by the Superintendent, Power, and who was deputed for such enquiry? What was the designation of the person deputed for these confidential enquiries and what was his length of service?

(d) What was the length of service of each of the discharged employees and what bad entries (if any) were to be found in their service records or personal files?

(e) Were the Divisional authorities of Moradabad not competent to investigate the alleged crime through their own officers, and for what definite reasons were the discharged hands not allowed to face an open trial, whether departmental or judicial?

(f) How many persons were reduced, discharged, fined, dismissed and given various other punishments during the time Mr Lambe was the Superintendent, Power, in Moradabad Division?

The Honourable Sir Andrew Clow: (a) Yes

(b) Yes, as they were removed from service by the Chief Operating Superintendent under the proviso to rule 1708 of the State Railway Establishment Code, Volume I

(c) Confidential enquiries were made with the assistance of the police

(d) The seven employees had approximately the following length of service, 19, 14, 9, 13, 19, 15 and 12 years. All except one of them had several punishments recorded in their service sheets

(e) The case was of a nature which did not lend itself to investigation by the officers and in the manner suggested

(f) Government have no information and I regret I cannot undertake to collect it

Mr. Lalchand Navalrai: May I know whether the rules were the same on all the railways, or is it only on the East Indian Railway?

The Honourable Sir Andrew Clow: In what respect?

Mr. Lalchand Navalrai: In respect of these waiting list people and temporary people

The Honourable Sir Andrew Clow: This question does not relate to that

Qazi Muhammad Ahmad Kazmi: With reference to the answer to part (f), has the Honourable Member made an investigation?

The Honourable Sir Andrew Clow: I have said that I have no information on these particulars, and I cannot accept the implication in the question that a particular officer is responsible for abnormal action in this respect

UNCONFIRMED EMPLOYEES ON THE EAST INDIAN RAILWAY

428. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member for Railways be pleased to enquire and state whether it is a fact that there are lot of employees on the East Indian Railway who have been for over five years in continuous employment and are not yet confirmed?

(b) What is the strength of such staff?

(c) What action do Government propose to take to provide such staff in some permanent vacancies? If none, why not?

The Honourable Sir Andrew Clow: (a) and (b) It is not practicable to ascertain the periods of service of all unconfirmed men, but if the Honourable Member has any particular lot of employees in view and will furnish details of their grade and the place where they are employed, I shall endeavour to secure the information

(c) None, the confirmation of temporary non-gazetted staff is a matter within the discretion of General Managers

FIREMEN PUNISHED ON EAST INDIAN RAILWAY FOR STOPPING TRAINS UNDER CERTAIN CIRCUMSTANCES

429. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state whether it is an offence for a fireman to stop a train at some station when he is ordered to do so by the driver on account of the latter feeling indisposed all of a sudden?

(b) If stopping of a train under circumstances mentioned in part (a) above constitutes an offence, then should the fireman allow the train to run against signals and cause serious damages?

(c) How many firemen have been punished on the East Indian Railway during the last one year for stopping trains under circumstances mentioned in part (a) above and what punishments have been awarded in their cases?

The Honourable Sir Andrew Clow: (a) No

(b) Does not arise

(c) No such case has come to the notice of Government

Qazi Muhammad Ahmad Kazmi: The matter happened at Hardwar. The driver fell ill when the train reached the station, and he asked his subordinate to stop the engine. Steps have been taken against the subordinate for having stopped the engine, though the driver filed a certificate to the effect that he was ill and he gave the order.

The Honourable Sir Andrew Clow: I have no knowledge of this circumstance, but I would suggest to the Honourable Member that, if, as is apparently the case, he finds a general question of this kind on one particular case, it would be of great assistance if he gave details of the particular cases he had in view.

PASSES FALSELY OBTAINED BY CERTAIN RAILWAY EMPLOYEES IN MORADABAD DIVISION, EAST INDIAN RAILWAY

430. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state whether obtaining a privilege pass for a dependent alleged widowed daughter when her husband is alive or a pass for a son when the employee has no son, constitutes an offence?

(b) What punishments are usually inflicted for such offences?

(c) Is it a fact that some years back a clerk of Moradabad Divisional office was dismissed for obtaining a pass for his son, when it was proved that he had no son?

(d) Is it a fact that a Gatekeeper of Moradabad Division has lately been dismissed for a similar offence?

(e) Is it a fact that a senior Station Master of Moradabad Division obtained a pass for an alleged widowed daughter when her husband was alive and also for a son who he had no son and immediately after this offence he was promoted to the next higher grade and the case filed? What are full particulars of cases mentioned in parts (c), (d) and (e)?

The Honourable Sir Andrew Clow: (a) Yes

(b), (c), (d) and (e) I have called for the information and a reply will be laid on the table of the House in due course

UNSATISFACTORY RUNNING OF THE GRAND TRUNK EXPRESS.

481. *Sir F. E. James: Will the Honourable the Communications Member be pleased to state—

- (a) what improvements, if any, have been made in the timing, accommodation and service on the Grand Trunk Express since the cut motion of the subject was carried against Government by the Legislative Assembly on the 24th February, 1940.
- (b) whether he is aware that this train still holds the record for unpunctuality and is sometimes between two and eight hours late.
- (c) whether he is aware that the quality of the rolling stock used on this train is still inferior, and
- (d) whether he is aware that the arrangements for the supply of food to passengers still continue to be unsatisfactory for the greater part of the journey?

The Honourable Sir Andrew Glow: (a) The running time between Madras and Delhi has been reduced by 40 minutes, and an earlier arrival at Delhi has permitted a more punctual and early delivery of mails from the South in Delhi. A more frequent examination of stock is made and the period between overhauls of stock is reduced by one-third. Return tickets at reduced fares have been introduced.

(b) I believe this train has arrived over two hours late at Delhi on three occasions and over eight hours late on one occasion between the 1st January and the 8th March, 1941.

(c) I believe that the rolling stock is not as modern as on a number of other trains, but I understand that it is generally adequate.

(d) I understand the arrangements for the supply of food for lower class passengers are generally satisfactory. There are not sufficient through upper class passengers to justify the running of a dining car, but arrangements have been made for the supply of meals to upper class passengers from the Indian Refreshment Car.

Sir F. E. James: With regard to the answer to part (c) of the question, is the Honourable Member aware that his description of the quality of the rolling stock is, to put it very mildly, very inaccurate?

The Honourable Sir Andrew Glow: No. I believe, what I said, that it was not as modern as on a number of other trains. If the Honourable Member wishes to contest that statement, of course, I will take it from him.

Sir F. E. James: I will put it in another way. That is a very loose description of the gross inferiority of the rolling stock on that particular train. With regard to the answer to part (d) of the question, would it not be possible for the Railway Board to examine the time table of the train with a view to arranging the starting of this train from Madras and from Delhi in the reverse direction at more convenient times, for on the present timings it is extremely inconvenient for upper class passengers from the point of view of food?

The Honourable Sir Andrew Clow: One trouble with this train is that it runs through three railway systems, and, as the Honourable Member is aware, you cannot adjust the timings of the train without a tremendous number of readjustments in other trains. I sympathise with the difficulty that upper class passengers may feel as regards meals, but I cannot regard their claims as having primary consideration.

Dr. F. X. DeSouza: Very often I see three, four or five first class passengers in the train, and yet there are no facilities provided for a restaurant car or any other means of getting food.

The Honourable Sir Andrew Clow: I can assure the Honourable Member that it does not pay to put on a full restaurant car for five first class passengers.

Mr. N. M. Joshi: May I ask whether Government are aware that sometimes there are not more than two or three passengers and still a restaurant car runs for the benefit of those passengers?

The Honourable Sir Andrew Clow: I have noticed that, and we have been taking steps to reduce those facilities.

Sir H. P. Mody: Are Government aware that there are millions of ticketless travellers?

Mr. M. S. Aney: May I ask whether the reduction of time between Delhi and Madras by 40 minutes means a reduction in the time between Delhi and Nagpur also?

The Honourable Sir Andrew Clow: I have not got the time of arrival at the Nagpur station.

Maulana Zafar Ali Khan: With regard to the answer to part (d) of the question, is the Honourable Member aware that a very large number of Muslims travel over this train, and no facilities are provided for food for Mussalmans?

Mr. M. S. Aney: And also for prayers.

Maulana Zafar Ali Khan: They are all middle class men.

The Honourable Sir Andrew Clow: The train does not travel through predominantly Muslim areas, but I am quite willing to believe that there are a number of Muslims travelling by that train. There is an Indian refreshment car which provides good food.

Maulana Zafar Ali Khan: There is a refreshment car, but the needs of the Muslims are not catered for.

The Honourable Sir Andrew Clow: I was not aware that a Muslim could not take food that was prepared by a member of another community.

Maulana Zafar Ali Khan: I have travelled on that train twice and my personal experience is that the food was not of the right type.

Mr. President (The Honourable Sir Abdur Rahim) Next question

Mr. H. A. Sathar H. Essak Sait: May I ask the Honourable Member . .

Mr. President (The Honourable Sir Abdur Rahim) Next question

PROMOTION OF GUARDS ON NORTH WESTERN RAILWAY

†432. ***Bhai Parma Nand:** (a) With reference to the reply to part (a) of starred question No 198, dated the 20th November, 1940, will the Honourable the Railway Member kindly state when the information promised therein in regard to the strength of guards grade III and IV on each division of the North Western Railway and the number of men actually working on each division, will be laid on the table of the House?

(b) With reference to the reply to part (b) of the question referred to above, stating that it is not practicable rigidly to demarcate the duties of various grades of guards above the lowest, is the Honourable Member aware that in the rules printed in 1929 for the appointment of guards, it is laid down that:

Guards grade II will work goods trains,

Guards grade III will work express goods and passenger trains, and

Guards grade IV will work passenger express and mail trains?

(c) If so, how does the Honourable Member justify his previous reply, and the disallowance of officiating allowance to guards grade II officiating in higher grades?

(d) If there is no difference in duties what is the need for having different grades of guards?

(e) With reference to the reply to part (c) of question No 198, will the Honourable Member please state the number of annual promotions of guards during the three years before 1929 and from 1929 to 1939 and the number promoted on transfer to other posts?

(f) If there is a marked decrease in the number of promotions after 1929, are Government prepared now to take suitable steps for removing the blockade in promotions by increasing the number of posts in grade III, or by giving suitable compensation?

(g) Is it not a fact that even the few promotions made in June 1940 were the result of continuous representations from the persons affected?

(h) Are Government aware of the discontent prevailing among the staff, and what steps do they propose to take to remove the same?

The Honourable Sir Andrew Glow: (a) The information was laid on the table on the 15th March.

(b) I am informed that the rules the Honourable Member refers to stated that guards in the various grades would usually work the trains specified

(c) I can see no contradiction between my reply and the rules quoted by the Honourable Member, and since it is not practicable rigidly to demarcate the duties, officiating allowance is not permissible

(d) The different grades are justified by the necessity of having a more qualified type of employee to handle under normal conditions trains now worked by higher grade guards

+Answer to this question laid on the table, the questioner being absent

(e) Information available with Government shows that 18 guards, grade II, were promoted to grade III in 1928. There were no promotions from grade II to grade III between 1929 and 1939. Information concerning guards transferred to other posts is not readily available and cannot be secured without extensive research, which I regret I cannot authorise.

(f) The absence of promotions to grade III between 1929 and 1939 was the result of the abolition of grade IV, the reduction in the number of posts in grade III and the existence of surplus guards who had to be absorbed. Government do not consider any action is necessary as they understand that the position has become normal and promotions to grade III have been resumed nor can Government admit that staff have any claims to compensation under such circumstances.

(g) No, promotions are only made when vacancies have to be filled up.

(h) I am prepared to believe that some are not contented, but Government propose to take no action as they consider that there is no solid ground for grievance.

PROMOTION OF GUARDS, GRADE II TO GRADE III, ON NORTH WESTERN RAILWAY

+433. *Bhai Parma Nand: (a) With reference to the reply to starred question No. 194 of the 20th November, 1940, will the Honourable the Railway Member state why direct recruitment of guards grade III was resorted to on the North Western Railway during 1929 to 1939?

(b) Why were suitable employees in lower grades not promoted?

(c) How is it that the old employees in grade II were suddenly thought suitable for promotion in 1940?

(d) What were the "special circumstances" on the North Western Railway as compared to East Indian and Great Indian Peninsula Railways which led to the reduction in the number of higher grade appointments of guards on the North Western Railway?

(e) Is it a fact that the minimum qualification for grade III was Intermediate Examination? Were there no grade II guards on the North Western Railway possessing that qualification? If there were, why were they not promoted instead of having direct raw recruits?

(f) Why is direct recruitment "limited to a maximum percentage"? What is that percentage, and has it been done in order to satisfy communal requirements?

The Honourable Sir Andrew Glow: (a) No direct recruitment was made to grade III of guards between 1929 and 1939 except in two individual cases.

(b) Because there were no vacancies to be filled.

(c) The opportunity for making promotions occurred only in 1940, and employees in lower grades were considered for such promotion.

(d) The North Western Railway undertook investigations which resulted in the action referred to.

(e) I understand the qualification prescribed is that of a degree. Government have no information regarding the second part; but the object

*Answer to this question laid on the table, the questioner being absent.

of direct recruitment is not merely to secure men of particular educational qualifications, it is to ensure that they are recruited to a higher grade at the start of their service.

(f) Ordinarily, direct recruitment to an intermediate grade is restricted to 20 per cent. of the vacancies in any year. This has been prescribed to keep the balance between the claims to promotion of staff already in-service and the necessity for recruiting staff with better qualifications.

RESERVATION OF CERTAIN POSTS FOR GUARDS WITH DEFECTIVE VISION ON NORTH WESTERN RAILWAY

***434. *Bhai Parma Nand:** (a) With reference to the reply to part (b) of starred question No 194 of the 20th November, 1940, will the Honourable Railway Member state if he has consulted the medical authorities that the disabilities of guards as enumerated therein do not affect their vision?

(b) Do the Hours of Employment Regulations apply to Guards? It is, is the Honourable Member aware that advantage is taken of its non-applicability to put guards on duty for longer and odd hours?

(c) Is the Honourable Member prepared to take steps to see that those guards who have defective vision and "who are suitable" are considered for the posts mentioned in part (c) of question No 194?

(d) Are Government aware that guards generally by the very nature of their duties get defective eye-sight, and are on this account relegated to the benefit of then young juniors? Why do Government not compensate them like the Army personnel who are invalided out for diseases contracted in the execution of duty?

The Honourable Sir Andrew Glow: (a) The Honourable Member is apparently referring to starred question No 195 and not No 194 asked on the 20th November, 1940. If so, the answer is in the negative.

(b) No, but I am informed that endeavours are made to limit the hours of work of guards to those prescribed in the Regulations. The answer to the second part is in the negative.

(c) I have no reason to believe that staff who are suitable are not considered for the posts referred to.

(d) As regards the second part, I would refer the Honourable Member to the reply to part (b) of starred question No 195 asked on the 20th November, 1940.

PROMOTION OF RAILWAY GUARDS FROM GRADE II TO GRADE III

***435. *Bhai Parma Nand:** (a) With reference to his reply to starred question No 239 of the 25th November, 1940, stating that promotion of guards from grade II to grade III is by selection, will the Honourable the Railway Member kindly state what criteria are laid down for such selections, particularly in view of his reply to starred question No 198, of the 20th November, 1940, wherein he said that it is not practicable to demarcate the duties of guards?

(b) What does the Honourable Member propose to do to see that his policy of "promotions by fair field and no favour" is actually acted upon?

+ Answer to this question laid on the table, the questioner being absent.

(c) In view of the Honourable Member's admission that accusations are made by all the communities of manipulation of promotions by selection on communal basis, is he prepared to lay down that promotions from grade II to grade III will be made by seniority only provided the record of service of the employee is satisfactory?

The Honourable Sir Andrew Clow: (a) No specific criteria are laid down, but both the staff and the members of the Selection Boards are well aware of the qualifications required. Because the duties of the different grades cannot be rigidly demarcated, it does not follow that the selection of the best men from a batch of candidates for promotion cannot be made.

(b) I have no reason to believe that promotions are now made on any other basis.

(c) The existence of complaints on the part of all communities suggests that no favour is being shown to any of them and I see no reason to interfere in those circumstances.

PROMOTION OF RAILWAY GUARDS FROM GRADE II TO GRADE III

†436. *Bhai Parma Nand: (a) With reference to his reply to supplementary question to starred question No. 239, dated the 25th November, 1940, stating that the maximum permissible percentage of 20 is laid down for direct recruitment to grade III on the North Western Railway, will the Honourable the Railway Member kindly state whether eight direct recruits were engaged in 1940? If not, what was the number?

(b) If the reply to the first part of part (a) be in the affirmative, will the Honourable Member kindly state how many promotions were made as against the eight direct recruits in 1940? Was it 32? If not, why not?

(c) Do Government now propose to see that the proper percentage for promotion, i.e., 80 per cent of vacancies should be filled by promotion? If not, why not?

(d) If this was not done in 1940 or the previous years, are Government prepared to stop direct recruitment till such time as the deficit in regard to past promotions is made up? If not, why not?

(e) Who was responsible for not acting on the rules in regard to these percentages, and what action is being taken against the person or persons concerned? If no action is being taken, or is proposed to be taken, why not?

The Honourable Sir Andrew Clow: (a) I understand that eight were recruited, but would observe that while the rules permit direct recruitment up to 20 per cent a General Manager has the power of making modifications.

(b) I have called for information and a further reply will be laid on the table of the House.

(c), (d) and (e) The Honourable Member is referred to the observation made in reply to part (a), but the question of the proper percentage for future promotion will be considered when further information is available.

*Answer to this question laid on the table, the questioner being absent

**UNRECOMMENDED EMPLOYEES ALLOWED TO APPEAR AS RECRUITS FOR
APPOINTMENT AS GUARDS ON NORTH WESTERN RAILWAY**

437. *Bhai Parma Nand* Will the Honourable the Railway Member please state when the reply to starred question No 241, dated the 25th November, 1940, regarding unrecommended employees allowed to appear for recruitment as guards on the North Western Railway, may be expected?

The Honourable Sir Andrew Clow: Information was laid on the table of the House on the 11th February, 1941.

CONVENIENCES FOR PROMOTING THE ORANGE TRADE AT KOHOLI RAILWAY STATION, NAGPUR DISTRICT

438. *Mr. Govind V. Deshmukh* Will the Honourable Member for Railways please state

- (a) whether he is aware that an orange market was opened at *mouza* Koholi in Saoneri taluk, Nagpur district, by Mr D V Deshmukh, President, Market Committee of the District Council, Nagpur, in November, 1940,
- (b) whether there is any raised platform and shade for storing oranges at this railway station,
- (c) whether he is aware that transactions of sales of oranges to the extent of Rs 4,000 to Rs 5,000 take place every day at this place, when the orange season is in full swing and that there is a traffic of at least sixty passengers a day,
- (d) whether the railway makes an income of about Rs 2,500 per day,
- (e) if he is aware of the inconvenience, loss of time, and extra trouble involved in filling up the orange wagons for want of proper siding arrangement and whether he proposes to take any steps to remove it,
- (f) whether the Up and Down Grand Trunk Express is proposed to be stopped at this station to despatch orange fruits by it, and
- (g) whether he is prepared to take steps to see that a change in the timing of the evening passenger train leaving Koholi station and reaching Nagpur at 9.15 p.m. is made to enable fruit merchants to send orange by the express train the same night to Calcutta?

The Honourable Sir Andrew Clow: (a) Yes

(b) No

(c) I have no particulars of the value in rupees of the trade or of the passenger traffic

(d) No

(e) I recognize that a raised platform normally adds to convenience, but have no reason for supposing that a great loss of time is involved owing to its absence and have no steps in contemplation

(f) No

*Answer to this question laid on the table, the questioner being absent

(g) No The timing of individual trains is a matter for the Railway Administration and I do not propose to interfere in the matter.

Mr. Govind V. Deshmukh: May I know whether the Government is aware that the Railway makes an income of Rs 2,500 per day

The Honourable Sir Andrew Clow: I said that was not the case

Mr. Govind V. Deshmukh: I want to know what the income is

The Honourable Sir Andrew Clow: I must ask for notice

Mr. Govind V. Deshmukh: May I know whether the Government is aware that the orange market is on the side of the village and the siding is on the other side, so that persons who want to take *pitanas* from the market side to the siding have to cross the rails and they have to cross the high ground also?

The Honourable Sir Andrew Clow: I am not aware of the detailed arrangements in a small station like this. I would suggest to the Honourable Member that it would be far better if he can bring these matters to the notice of the Railway Advisory Committee and the General Manager

OPENING OF A POST OFFICE AT KOHOLI, NAGPUR DISTRICT

439. *Mr. Govind V. Deshmukh: Will the Honourable Member for Communications please state

- (a) whether the District Council, Nagpur, had made a representation to the Superintendent of Post Offices, Nagpur Division, about the opening of a post office at Koholi, Saoner Tahsil, Nagpur district,
- (b) if the request so made was granted, if not, why not,
- (c) if he is aware of the growing orange trade of this place to the extent of Rs 4,000 to Rs 5,000 every day,
- (d) whether he is prepared to open a post office for the convenience of the orange fruit merchants and the public of this place, if not, why not, and
- (e) whether he is prepared to open the post office subject to any conditions with the District Council, if so, what are the conditions?

Sir Gurunath Bewoor: (a) Yes

(b), (d) and (e) The matter has been under correspondence between the Superintendent of Post Offices, Nagpur Division, and the District Council, Nagpur, whose reply accepting the condition was received only recently and steps are now being taken to open the office. The condition is the payment of a non-returnable contribution of Rs 133-11-0 which is the estimated loss on the working of the proposed office during the first year

(c) I understand that there is a trade in oranges but have no information as to the exact extent of the trade

Mr. Govind V. Deshmukh: May I know whether the post office will be opened?

Sir Gurunath Bewoor: Yes

Mr. Govind V. Deshmukh: When will it be opened?

Sir Gurunath Bewoor: It will be opened shortly

CASE OF NEGLIGENCE FOR NOT CLEARING BALANCE SHEET OUTSTANDINGS IN THE TRAFFIC ACCOUNTS BRANCH OF NORTH WESTERN RAILWAY

440. *Mr. H. M. Abdullah: (a) Will the Honourable Member for Railways please state whether it is a fact that a charge of negligence for not clearing Balance Sheet outstanding was brought against three Muslims and three Hindus of the Traffic Accounts Branch of the North Western Railway in 1988?

(b) Is it a fact that the decision in this case had been pronounced in 1941?

(c) Is it a fact that amounts involved were trifling in the case of Muslims as compared with Hindus?

(d) Is it a fact that the Hindu Accounts Officer has held the three Muslim clerks responsible for carelessness and for failure to take adequate action for the clearance of old outstanding items, and remarks to this effect were recorded in their character rolls, and whether one of the Muslims affected had stood first in Appendix C Examination?

(e) Is it a fact that the Hindu Accounts Officer has declared the work of the three Hindus clerks involved in the above case, as satisfactory, and remarks recorded in their character rolls were that they should have tried to clear the outstandings?

(f) If the reply to parts (a) to (e) be in the affirmative will the Honourable Member please state what action he proposes to take to get the Muslim clerks justice and to stop recurrence of such instances?

The Honourable Sir Andrew Clow: (a) No Eleven members of the office of the Deputy Chief Accounts Officer, T A Branch, North Western Railway, Lahore (including subordinate supervisory staff) were asked to explain delay in clearing outstandings in 1989 Seven of them were Hindus and four were Muslims

(b) No The final orders regarding clerks were passed in August, 1940; the orders regarding the punishment of supervisory staff were issued in January, 1941.

(c) The amounts were trifling in all cases

(d) Remarks regarding the failure to clear the outstandings were recorded against all the clerks concerned, except one Muslim who was new to the office. The remarks in each character roll were with reference to the work of the year as a whole, with a qualification regarding the failure in this particular case. The answer to the latter part of the question is in the affirmative

(e) No There was, however, some confusion in communicating the adverse remarks in two cases, owing to the inclusion of other remarks. This mistake has now been set right.

(f) The question does not arise

UNSTARRED QUESTIONS AND ANSWERS.

THE GREAT INDIAN PENINSULA RAILWAY MUTUAL BENEFIT SOCIETY

• 150. Mr. N. M. Joshi: Will the Honourable the Railway Member be pleased to state:

- (a) whether the Great Indian Peninsula Railway Administration has any control over and any obligation to the Great Indian Peninsula Railway Mutual Benefit Society of the employees on that Railway,
- (b) whether the said Society possesses large funds collected from members and gives benefits to its members, and
- (c) if so, whether the said Society is registered under the law in force for the time being, or an exemption from registration was granted and, if so, for what reasons?

The Honourable Sir Andrew Clow: (a) The Great Indian Peninsula Railway Administration exercise some control over the Great Indian Peninsula Railway Employees' Mutual Benefit Society, the Administration collects the subscriptions of the members and issues passes to cover journeys of persons engaged by the Society for the legal defence of its members

(b) I have no information as to the magnitude of the funds, I understand the Society gives its members the benefits permissible under its rules

(c) This is a matter for the management, but I am informed that the Society has not been registered and exemption has been obtained on the advice of the Registrar of Companies on the grounds that registration would serve no purpose

THE GREAT INDIAN PENINSULA RAILWAY MUTUAL BENEFIT SOCIETY

151. Mr. N. M. Joshi: Will the Honourable the Railway Member be pleased to state:

- (a) whether it is a fact that the main object of the Great Indian Peninsula Railway Employees' Mutual Benefit Society is to ensure proper defence of its members against criminal prosecutions launched against them for acts of commission and omission done in the course of the performance of their duties;
- (b) whether it is a fact that the Watch and Ward Department of the said railway are concerned with many of such prosecutions,
- (c) whether it is a fact that for some years past a very large number of members on the Committee of Management of the said Society are from the Watch and Ward Department; and

- (d) whether Government propose to institute an enquiry and ascertain how the Watch and Ward Department secure such unduly large representation on the Committee?

The Honourable Sir Andrew Clow: (a) Yes

(b) No, but prosecutions may result from the activities of the Watch and Ward Department

(c) and (d) No

THE GREAT INDIAN PENINSULA RAILWAY MUTUAL BENEFIT SOCIETY

152. Mr. N. M. Joshi: Will the Honourable the Railway Member be pleased to state

- (a) whether there were scenes of rowdyism at the general meeting of the Great Indian Peninsula Railway Employees' Mutual Benefit Society held on the 31st July, 1940;
- (b) whether Government propose to make an impartial enquiry into the incident and also into the affairs of this Society, and
- (c) if the reply to part (b) be in the affirmative, how the enquiry is to be conducted?

The Honourable Sir Andrew Clow: (a) Government are informed that there was no general uproar or any violence.

(b) Government do not propose to institute any enquiries

(c) Does not arise

RAILWAY QUARTERS OF THE RUNNING ROOM COOKS AND BEARERS FOR THE EAST INDIAN RAILWAY GUARDS AT GHAZIABAD

153. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member in charge of Railways be pleased to enquire and state whether Running Room Cooks and bearers for the East Indian Railway Guards at Ghaziabad are provided with Railway quarters close to their place of work? If not, why not?

(b) What are their duty hours?

(c) Is this privilege granted at other stations on the East Indian Railway like Aligarh, Tundla, Cawnpore, Allahabad, etc?

The Honourable Sir Andrew Clow: (a) No, as quarters are not available there

(b) 12 hours each daily

(c) Quarters are allotted at those stations where they are available

BOX PORTERS AT MORADABAD RAILWAY STATION

154. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state what was the strength of Box Porters at Moradabad Railway Station before the extension of Goods Yard?

(b) What is the strength of such porters now?

(c) Is it a fact that with increased work their duty hours have been extended from 8 to 12 hours a day, so that the necessity of employing extra staff may be eliminated?

The Honourable Sir Andrew Glow: (a) to (c). I have called for information and a reply will be laid on the table in due course

BOX PORTERS AT MORADABAD RAILWAY STATION

155. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state what is the average weight of each Guard's equipment Box and Tail Boards, etc., that a Box Porter has to carry on his head in the Yards (Goods and Coaching) and what is the average number of trains during 12 hours' duty that the Box Porter has to attend now with Guard's Box, etc.?

(b) Besides Box Porters, are there any other class of inferior staff who are utilised on 12 hours' shifts at Moradabad Railway station? If so, who are they?

(c) What period of *inaction* during 12 hours duty are the Box Porters allowed to have as per Hours of Employment Rules?

The Honourable Sir Andrew Glow: (a) to (c). I have called for information and a reply will be laid on the table of the House in due course

DISTINCTION AMONGST INDIAN AND EUROPEAN GUARDS AND DRIVERS ON EAST INDIAN RAILWAY IN THE MATTER OF RUNNING ROOM ACCOMMODATION

156. Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state whether there is any distinction amongst Indian and European Guards and Drivers on the East Indian Railway so far as Running Room accommodation is concerned?

(b) Can an Indian occupy a European Guards Running Room?

(c) What is the arrangement for Indian Christian Guards? Can they go to European Guards Running Rooms? If not, why not?

The Honourable Sir Andrew Glow: I have called for information and a reply will be laid on the table in due course

DIFFERENT CONDITIONS FOR EARNING UNDER-REST ALLOWANCE FOR GUARDS ON EAST INDIAN AND NORTH WESTERN RAILWAYS

157. Qazi Muhammad Ahmad Kazmi: Will the Honourable the Railway Member please state whether it is a fact that on the North Western Railway a Guard returning to Headquarters after 12 hours *absence* and if booked out again before having 12 hours rest, is entitled to under-rest allowance, whereas on the East Indian Railway 8 hours' work is the essential condition for earning under-rest allowance?

For example on 12th January, 1941 a Guard is booked by a certain train leaving his Headquarters at 16 hours and reaches his destination at 22 hours the same day. He starts back for his Headquarters on 18th January, 1941 at 10 hours and reaches his Headquarters at 14 hours

He is booked out again the same day at 17 hours. On the North Western Railway he is entitled to under-rest allowance, but, on the East Indian Railway he is not entitled to this allowance? If so, why?

The Honourable Sir Andrew Clow: Yes; the reason is that under rule 512 of the State Railway Establishment Code, Volume I (copy available in the Library of the House) the grant of the under-rest allowance is subject to such conditions as may be prescribed by General Managers

ORDERS FOR EMPLOYING MORE MUSLIMS IN ESTABLISHMENT SECTION ON NORTH WESTERN RAILWAY

158. Mr. Lalchand Navaria: Will the Honourable Member for Railways be pleased to state

- (a) whether it is a fact that the North Western Railway administration has issued orders to offices subordinate to it that more Muslims should be employed in Establishment section; if so, why;
- (b) whether this order is issued under the Home Department resolution, dated 4th July, 1934, regarding ratio of minority communities in services if so, the specific provision of the Home Department resolution in justification of the orders referred to in part (a) above; and
- (c) whether it is a fact that the Resolution referred to in part (b) above, refers to percentage of minority communities as a whole, if so, why the North Western Railway Administration want communal reservation in each section of an office?

The Honourable Sir Andrew Clow: (a) I understand that the Administration has indicated that the position of Muslims in Establishment Sections should be improved, this has been done in pursuance of the general policy of securing as far as practicable adequate representation of minority communities in such sections

(b) The answer to the first part is in the negative, the second part does not arise

(c) The answer to the first part is in the affirmative, as regards the second part, the administration has not asked for communal reservation in each section of any office.

OLD SCALES OF PAY FOR RETRENCHED AND RE-EMPLOYED COMPILATION STAFF ON NORTH WESTERN RAILWAY

159. Mr. Lalchand Navaria: Will the Honourable Member for Railways be pleased to refer to his answer to part (d) of starred question No 99, asked on the 15th February, 1940, regarding old scales of pay for Compilation staff on the North Western Railway and state the result of his examination?

The Honourable Sir Andrew Clow: The result of the examination of the case was laid on the table of the House on 11th February, 1941, in connection with part (d) of starred question No 99 asked by Bhai Parma Nand on the 15th February, 1940

MOTIONS FOR ADJOURNMENT.

INTERFERENCE BY THE DELHI POLICE IN KHAKSAR ACTIVITIES

Mr. President (The Honourable Sir Abdur Rahim). I have received notice of a motion for adjourning the business of the House from Maulana Zafar Ali Khan. He wishes to discuss a definite matter of urgent public importance of recent occurrence, viz., the unwarranted and undue interference of the local police yesterday evening near the Juma Masjid, Delhi, in the lawful activities of the Khaksars. The Honourable Member has not given any definite statement as to what happened. What was the lawful activity and what was the nature of the interference. He ought to have stated that.

Maulana Zafar Ali Khan (East Central Punjab: Muhammadan). The Khaksars are permitted under the agreement entered into between the Government of India and that body to move along in a single line, without, of course, goose-stepping in military fashion, and also to retain their *belcha*. The local police interfered in this arrangement and they said "We won't allow you at all". They made all sorts of protests which went unheeded, and they had to disperse under protest.

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House). The Honourable the Home Member is unavoidably absent. I have tried to get information on any incidents that may have happened yesterday. The Chief Commissioner says that he has no information, but is making inquiries and will let me know or let the Home Member know what happened. Perhaps you would be pleased to allow the matter to stand over.

Mr. President (The Honourable Sir Abdur Rahim). The motion will stand adjourned till tomorrow.

FORCIBLE COLLECTION OF WAR FUND.

Mr. President (The Honourable Sir Abdur Rahim). I have received notice of another motion for adjourning the business of the House from Qazi Muhammad Ahmad Kazmi. He wishes to discuss a definite matter of urgent public importance, viz., the forcible collection of War fund as reported in the *Hindustan Times*, dated the 20th March. The Honourable Member does not mention where this forcible collection took place.

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural). At Gorakhpur. As a matter of fact, it is going on everywhere but this adjournment motion refers to Gorakhpur.

Mr. President (The Honourable Sir Abdur Rahim). That, of course, is a matter, which is the concern of the Local Government, and the Government of India have no power of supervision and control even though the United Provinces Government is not a Government responsible to the Local Legislature.

Qazi Muhammad Ahmad Kasmi: My submission is that the war fund has to be sent outside India

Mr. President (The Honourable Sir Abdur Rahim) That may be, but the alleged forcible collection took place in Gorakhpur and not here in Delhi. The motion is disallowed.

THE INDIAN FINANCE BILL—*contd*

Mr. President (The Honourable Sir Abdur Rahim) The House will now resume consideration of the Indian Finance Bill

Honourable Members should bear in mind that, according to the arrangement arrived at between the Parties, all Members who want to speak must conclude their speech by 1-15 p.m., and then, in the afternoon, two Non-Official Members are to speak and the reply will be made by the Finance Member. Honourable Members have to regulate their speeches accordingly.

Mr. N. M. Joshi (Nominated Non-Official) May I ask whether only one Member will go on till 1-15?

Mr. President (The Honourable Sir Abdur Rahim) There is no limitation as regards the number of speakers, provided the speeches are concluded by 1-15 Nawab Siddique Ali Khan

Nawab Siddique Ali Khan (Central Provinces and Berar Muhammadan) I would take only 15 minutes. I am very sorry that I committed a mistake the other day when I said that the All-India Muslim League objected to the officials remaining in the Executive Council of His Excellency the Viceroy. The Resolution which was recently passed at Bombay was in my mind, and so I committed that mistake. I am sure that my Honorable friend, Nawabzada Liaqat Ali Khan, General Secretary of the All-India Muslim League, will throw more light on the subject.

Sir, when we rose for the day the day before yesterday, I was saying that we knocked at the door of the Congress, but we were rudely repulsed. Then we thought that the only course left open to us was to approach His Excellency the Governor. We approached him and requested him to use his special powers given to him under the Government of India Act. We led a procession. We submitted a memorial on behalf of the Muslims of that province. The event was considered so important that the *London Times* published the news, but unfortunately His Excellency did not take any notice of it.

Sir, we are asked to have an amicable settlement with the majority party, which unluckily treated us in the same manner as Jews are said to have been maltreated by the Nazis in Germany. I will cite only one example to show that it is almost an impossible task to bring us on one platform unless the majority party promises to treat us as equals. Much has been said about the highhandedness of the police during the discussions on this Bill. I also wish to add my humble quota to it. In one case, Sir, a man was arrested on three of the many flimsy grounds

(1) as to whv he was called "Jinnah" by the people of his locality,

- (2) as to why a map of Pakistan was found in his house, and
- (3) as to why he went to attend the All-India Muslim League Session at Lahore.

It will be interesting to know what the Honourable the Chief Justice Sir Gilbert Stone, and another Judge, Mr. Justice Bose, said about the police *zulm* on the Chandur Biswa case which got very wide publicity. The two Judges have made observations about the prosecution story, the prosecution witnesses and the identification parades in the following words Mr Justice Bose said

"It is only necessary to quote these figures to show the tragic farce into which these proceedings have by now degenerated and yet it was on the strength of these comic opera identifications that 145 men and boys were arrested and locked up for the night in a room 30' x 20'."

The conduct of the police throughout this case has been extraordinary, and in at least two matters outrageous. It calls for severe stricture. The two matters to which I refer are the identification parade at Biswa, and the confinement of 145 persons in a room 30' x 20' practically without food on a hot weather night. Over 200 persons were paraded in the sun in the middle of a hot weather day until some vomited with the heat, and later 145 persons were arrested and confined in a room 30' x 20' with practically no food on a hot weather night."

And, with regard to the closeting of these 145 men, Mr M N Clarke, I C S, the Sessions Judge, says

"It is more suggestive of the conditions in Nazi Germany at the present time than in an enlightened portion of the British Empire."

He further says

"That is the comic opera story we are asked to believe, not indeed by the learned Advocate General, be it said to his credit, but by the prosecution. And of the melodramatic heroes who tell us these stories here are a few examples."

The Honourable the Chief Justice says

"This is a distressing case. The epithet is justified when we see in this case, where 43 men are standing their trial on a capital charge, witness after witness whose evidence is false, improved or tutored, going into the box."

It is also a case in which, though this Court is not concerned with politics, it is relevant and necessary to mention certain facts which at first sight appear to give it a political tinge.

In the course of that debate, the then Prime Minister, Mr Shukla, himself did not hesitate to use the word 'murder' and to indicate that this was not a case of a riot but a carefully planned murder ruthlessly carried out. I mention this only for two purposes. (1) to explain the very extraordinary occurrences which followed shortly thereafter and the difficulties of the police and prosecution, and (2) to deprecate such observations which have in this case resulted, in my opinion, in the evidence being so improved, concocted, and tutored as to result in its being absolutely worthless, with the result that instead of those guilty of crime being brought to conviction no one is convicted."

Sir, my Honourable friends, Mr Griffiths and Sir Abdul Halim Ghuznavi, said the other day that there is no war propaganda to educate the people, and that people living in the mafassil know very little about the war. Sir Abdul Halim Ghuznavi went to the length of saying that war preparations in India were so scanty that it was difficult to face the enemy. Sir Abdul Halim Ghuznavi, who seems to be in the know of things concerning the Government, went to the length of saying that there were only two anti-aircraft guns in Calcutta and that there were no air-raid shelters. One thing, however, is clear from this, viz., that most of the Indians are indifferent to what is happening and that the Government have taken very little care for the protection and safety of my countrymen. The Congress, the largest majority party in the country, is offering civil

[Nawab Siddique Ali Khan.]

disobedience The next largest party, that is, the All-India Muslim League, is neutral, because our offer of co-operation has not been accepted. The contemptuous treatment meted out to our offer is driving us slowly, but steadily, towards a place where we will have to think seriously as to what further course we should take to get our legitimate demands accepted. Our Qaid-e-Asam has said that during the war time, he would not insist on enforcing the Pakistan scheme Sir, he said on the 19th November on the floor of this House:

"We may be less in numbers, and we are, but we could give you, I venture to say, and perhaps you do not know it, but I do, and I am not saying this by way of a threat, but by way of information to you, that we can give you hundred times more trouble than the Congress can give you if we so determine; but we do not want to. You will realise that But we do not want to do it even now. The future—we will leave the future Therefore, so far as the Government is concerned, that is the position of the Muslim League."

Sir, it must have been noticed that our Party is going step by step, we remained neutral when the Finance Bill was introduced in November last. Now, we have taken a further step—that is, we have decided to oppose the Finance Bill. The third step will surely be a serious one if the Government do not listen to us Sir, public opinion is being flouted. They are recovering a punitive tax from those people of Burhanpur who are willing to help the Government. Government are using the ammunition which they should have used to blow the brains of Hitler and Mussolini to blow the brains of those people of Jubbulpore who are willing to co-operate with Government in the successful prosecution of the war. Government are counting on the support of arm-chair politicians who have no backing in the country. It is no use depending on those who, during the Congress regime, deserted the Government and became the supporters of Congress *raj*. Sir, let me tell you frankly that, God forbid, if the time comes, then these very people will not be ashamed to welcome Hitler and Mussolini at the gateway of India at Bombay.

My Honourable friend, Sir Ramaswami Mudaliar, said the other day that he was proud of the sword arm. So are we. I believe the Government should know that Qaid-e-Asam is the man who can deliver goods. Asam wields great influence and power in the Muslim world. Government should know that Qaid-ed-Asam is the man who can deliver goods on behalf of the Mussalmans of India. The war has entered a critical stage. Once it was said about the Nazi air raids that the bombs used to fall in fields, in sea, on hospitals or on empty houses, and they used to damage some doors or windows or used to kill an old woman. But now we hear that 2,000 churches have been destroyed, the Buckingham Palace has been damaged, and a part of the Tower of London is in debris, while we read only day before yesterday that Londoners were dancing when Germans were bombing. There is only one parallel example in history which is that "Nero was fiddling, when Rome was burning". We have heard from Sir Frederick James two very pathetic letters which he received from London and which were read out in this House. From those letters it is crystal clear that the Englishmen are passing through a critical time. All honour to those who are facing the enemy bravely and suffering patiently and cheerfully. If it is really wanted that the Mussalmans should help the Government, then the Government should come to some settlement with Qaid-e-Asam. Sir, I shudder to think of the day, if the Government continue to ignore Qaid-e-Asam and the

All-India Muslim League, when *Qaid-e-Azam* will raise his finger and ask the Mussalmans of India not to help the Government in their war effort Believe me, Sir, the sword arm will be crippled and paralysed, and no help will be forthcoming

Before I resume my seat, Sir, I wish to refer to a matter which was brought here by Sardar Sant Singh with regard to Sargodha District My Honourable friend, Khan Bahadur Fazl-i-Haq Piracha, would have been the proper person to deal with the subject, but I find that he will not get a chance to speak on the subject So, I take the liberty of refuting the allegations made by Sardar Sant Singh

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural) Sardar Sant Singh is not present in the House

Mr. President (The Honourable Sir Abdur Rahm) Is the Honourable Member reading somebody else's speech?

Nawab Siddique Ali Khan: No, Sir I am refuting the allegations which were made by Sardar Sant Singh on the floor of the House

Mr. President (The Honourable Sir Abdur Rahm) The Honourable Member must remember that there are other Honourable Members also who wish to speak The time is limited

Nawab Siddique Ali Khan: I have got five minutes more, Sir, and within that time I shall finish my speech

Sardar Sant Singh, while speaking on the Finance Bill, questioned the actions of the Punjab Government and that of the Deputy Commissioner, Sargodha. In connection with the application of the Defence of India Act towards the religious procession of his community, he stated that at Sargodha the anniversary of Guru Govind Singh was not allowed to be celebrated The procession was interfered with, and at this time 31 persons are under arrest, for having attended the procession, under the Defence of India Act Sir, on the opening day of the Session, the Honourable Member had also moved an adjournment motion about the high-handed action of the Deputy Commissioner on the occasion of the birth-day of Guru Govind Singh on the 5th of January Then, on the 25th February, he had also asked several questions with regard to the same matter Sir, it so happened that last year there was held a big annual meeting of the Anjuman-i-Islamia at Sargodha, and thousands of Mussalmans had gathered from different parts of the district Unfortunately, the Sikhs wanted to pick up a quarrel with the Mussalmans there and gave them a grave provocation There was every chance of a serious trouble occurring, but the Deputy Commissioner, who is a very capable officer and is respected by all the communities there and even the Sikhs about whom this matter was brought here have great regard for him, had to promulgate curfew order and order under section 144 of the Criminal Procedure Code for several days Then, in January last, the Sikhs of the town wanted a procession to be taken out The Deputy Commissioner, who knew that there was a communal tension, fixed a route for the procession to be taken out, but the Sikhs refused to obey his orders and took out the procession from the other route where there was a mosque on the way and that is why some Sikhs were arrested We

[Nawab Siddique Ali Khan.]

heard the other day that the Sardar Sahib had said something about the telegram also which, he said, was not transmitted to the proper authorities. As we knew that day, and the Honourable the Communications Member also told us the same thing, the Sardar Sahib did not know the actual wordings of the telegram, and on the basis of that he was attacking the Deputy Commissioner of Sargodha. It is true that if the Deputy Commissioner of that place had been Sardar Amin Singh, instead of Mian Arminuddin, then probably the Sardar Sahib would not have raised any objection. The Deputy Commissioner, as I have told you, is a very popular man there, and the Sikhs of that district also have no complaint against him. With these words, Sir, I oppose the Finance Bill.

Mr. N. M. Joshi: Mr. President, in view of the fact that there are many speakers to speak this morning, I shall restrict myself only to one subject, and that subject is the Resolution published by the Government of India in the Extraordinary Gazette dated the 18th March, 1941, on the report of the Court of Inquiry appointed by the Government of India to consider the question of the dearness allowance for railwaymen. The Government of India in that Resolution have stated that they have changed some important particulars of the recommendations in the report of the Rau Committee, and they seem to say that these variations are made in agreement with the Railwaymen's Federation. I do not know whether the Railwaymen's Federation had agreed to the variations, but the Government of India take credit for having brought about an agreement between themselves and the Railwaymen's Federation. After having studied the agreement and the original report, I came to the conclusion that this agreement between the Government of India and the Railwaymen's Federation is like the agreement made by Herr Hitler with the Czechoslovakian Government or with the Governments of Rumania and Bulgaria. Sir, it may be an agreement, but it is an agreement, I have no doubt in my mind, which the Government have secured by a sort of coercion or under pressure, or, as my Honourable friend, Mr. Aney, would say, at the point of the bayonet. I, therefore, do not attach much importance to this agreement. I feel, Sir, that the decisions which the Government of India have come to are unfair and unjust to the lowest class of railway employees. Not only the lowest class in the matter of pay, but unfair and unjust to a class of railway employees which are voiceless or at least consisting of people who have very weak voice especially with the Government of India.

What the Government of India have done is, whereas the Rau report recommended that Rs 8 increase should be given to all, what I may call, low paid railway employees or railway employees who get below what they call efficiency level or subsistence level, the Government of India have agreed to pay Rs 8 only to those lowest paid railway employees who work in Bombay and Calcutta. At the same time, I must admit that the Government of India have raised the limit of pay of the people who are to receive this increased benefit of Rs 8, they have increased the limit from Rs 35 to Rs 60 in Bombay and Calcutta. Other lowest paid employees have been given reduced allowance as compared with the allowance recommended by the Rau report. I must also say, Sir, that as regards the railway employees who work in larger towns like Sholapur and Poona, the Government of India have also raised the limit of persons,

who have to get the benefit, from Rs 30 to Rs 50, at the same time, reduced the increase from Rs 3 to Rs 2-8-0. In the case of rural areas, the allowance has been reduced from Rs 3 to Rs 2 while increasing the limit of pay from Rs 25 to Rs 30. The Government of India have tried to create the impression that on the whole their decisions are better than the Rau Committee's recommendations by bringing within the benefit of the report a new class of persons. But, Sir, if you study the report closely, you will find that the decisions have done a great injustice to the lowest paid railway employees. It is difficult to give exact figures, but in order to give the House an idea of what they have done, I would give my own estimate of the figures.

- On the whole, there are about 70 thousand employees on the G I P Railway. Out of these, according to my estimate, about 45,000 or 50,000 persons will get the benefit of the Rau report. Out of these 50,000, about 35,000 may be working in rural areas, that is, not in large cities like Bombay, Sholapur and Poona. Now, Sir, in these areas like Sholapur, Poona, etc., they may have added, say, about 10,000, more persons who get the benefit of the recommendations as compared with the number of persons who were included in the Rau report. Similarly, in the Bombay City, they have included about 5,000 persons, perhaps more as compared with the people included in the Rau report. What the Government of India, in my judgment, have done is this, they have reduced the benefit given by the Rau report to about 35,000 persons, and given some benefit to about 15,000 persons. That is, in my judgment, about 35,000 persons have been adversely affected by Government decisions and about 10,000 additional persons—I do not know the exact number, I am only forming an estimate—have been benefited. Sir, these figures show quite clearly that the Government of India have done injustice to the lowest paid railway employees who work outside Bombay and Calcutta.

Now, Sir, when you want to give less benefit, what ordinary wise men or good men will do is not to reduce the benefit of the lowest, the poorest or the voiceless, but if it is necessary to give less benefit, that it is done to the people who are better paid rather than to those who are less paid. But the Government of India's policy is always the reverse. I feel, Sir, this is a very wrong policy. I am surprised that that policy should have been followed especially by the present Railway Member. Moreover, I would like the Honourable the Railway Member to remember that when the Royal Commission on Labour considered this question of wages of railway men, the Royal Commission laid special stress that the lowest paid railway employees were not getting on the whole what they would call fair wages, and the Royal Commission recommended that at the earliest opportunity the Railway Administration should improve the wages paid to the lowest paid employees. Among these lowest paid employees are gangmen who work on the railway lines on repairs and some other kind of work, and apart from the consideration that it is wrong to make the lowest paid employees sacrifice for the sake of the people who are getting higher wages, apart from that moral consideration, I would like the Government of India to consider whether it is a wise policy for the to make the gangmen discontented. I think it is a dangerous policy. Recently we have been hearing of many serious accidents on the railways. Now, Sir, you may prevent accidents by having special officers. You may prevent accidents by having special kinds of engines, but, Sir, if accidents are to be prevented really, if the railways are to be made safe then yo

[Mr N. M. Joshi]

must keep the gangmen contented You must treat them fairly It is utterly a wrong policy for the Government of India to neglect the interests of the gangmen in order to give something more to those people who are getting more in order to avoid spending more money from their general revenues.

The Honourable Sir Andrew Clow (Member for Railways and Communications) The gangmen got a higher percentage of increase than any other class

Mr. N. M. Joshi: I am not talking of percentages I had made it very clear in my last speech that it is always necessary to give the higher percentage of increase to the lowest paid than to the highly paid people

The Honourable Sir Andrew Clow: That is what we have done

Mr. N. M. Joshi: I have stated as my view that the flat rate of increase recommended by the Rau Committee was the right thing to do Government have varied this in order to save some money We have not received estimates of what actually it would cost if the Rau Committee's report had been accepted My impression is that it would cost one crore and 50 lakhs I do not know what Government's own recommendations would cost, I take it they would cost about a crore of rupees So Government propose to save about 50 lakhs from the decision which they have taken

The Honourable Sir Andrew Clow: They do not

Mr. N. M. Joshi: I am unable to make any correct estimate, I make my own estimate The Honourable Member will be entitled to place before the House his own estimate I feel, Sir, that the Government of India are trying to save money and to save that money at the cost and by the sacrifice of the lowest paid railway employees

Then, Sir, the Government of India have given some arguments as to why they have varied the conclusions of the Rau report Their first argument is that by coming to an agreement with the Railwaymen's Federation,—and I have already stated what kind of agreement that is,—the Government of India have made the decisions or conditions more stable I do not know

The Honourable Sir Andrew Clow: I do not think there is any such mention of stability

Mr. N. M. Joshi: I do not know if my copy of the report is wrong

The Honourable Sir Andrew Clow: but, I may be wrong

Mr. N. M. Joshi: I shall quote the passage

"But in fixing wages the results so achieved tend to give more satisfaction and to have more stability than the results based on analytical methods."

The Government of India feel that by coming to an agreement with the Railwaymen's Federation, and by sacrificing the interests of the lowest paid employees, they will secure greater stability

The Honourable Sir Andrew Clow: That is a misrepresentation. There is no question of achieving stability by sacrificing anybody's interests. There has been no sacrifice.

Mr. N. M. Joshi: I am entitled to interpret the Government Resolution according to my own light. The Resolution is there, and I am interpreting it. Government have not explained what they mean by stability. I explain stability by stating that Government feel that if, after all, you take away something from these lowest paid people, gangmen and porters, they may not go on strike very soon, but there may be a strike.

. The Honourable Sir Andrew Clow: We are not taking away anything from the gangmen, we are giving something to them.

Mr. N. M. Joshi: They are taking away from what the Rau report recommended. That is what I mean by taking away.

The Honourable Sir Jeremy Raisman (Finance Member): Giving them a smaller increase!

Mr. N. M. Joshi: They are giving less. I feel that it is not a difference of language, but a difference of substance. I, therefore, think that it is wrong for Government to try to secure stability by sacrificing the interests of the lowest paid. I myself do not know whether they will secure stability by this method, but in any case even if they secure it, I would say it is an unfair and unjust method of securing stability.

Then, they say that the method of agreement will give them better satisfaction. Sir, in this materialistic world, satisfaction depends upon money. If the Government of India by coming to an agreement spends only one crore of rupees, instead of one crore and 50 lakhs, the sum total of the satisfaction cannot be larger, it must be less. Then, take the numbers. I have already pointed out that the additional number of people who will benefit from Government's decision as compared to the decision of the Rau report will be about ten thousand, but about 35,000 people will get less, I use the Honourable Member's expression. If you want to secure satisfaction, should it be the satisfaction of the more highly paid people or of the less highly paid? I ask the Government of India to consider whether by varying the decisions of the Rau report they have either secured stability, and whether it is right to secure stability by this method, and whether they have secured the satisfaction of a larger number of people or of a smaller number of people. I feel that the Government of India have done wrong.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must remember that there are other Honourable Members who are anxious to speak.

Mr. N. M. Joshi: Sir, I shall not take much longer. The Government of India have criticised the arguments of the Court. I shall not go into any details except to say that they say that the Court has, in the first place, recommended a certain subsistence level which, according to the Government of India, is not right. The Court has recommended that the subsistence level should be fixed in Bombay City at 85, in Poona and Sholapur

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and other towns at 30, and in rural areas at 25. The Government of India give certain grounds as to why the subsistence level fixed by the Rau Committee is wrong. I think the Rau report in this matter has gone very carefully into the figures and stated their decisions in their report. The Government of India also complain that the Rau report has corrected in certain matters to a very small extent the figures given by the Bombay Labour Office. Here the Government of India have committed a mistake, perhaps they have not read the report. The correction made by the Rau report in the figures given by the Bombay Labour Office is a correction which was necessary according to the admission of the Labour Office.

The Honourable Sir Andrew Clow: That is not so

Mr. N. M. Joshi: I shall read what they say. The Rau report has corrected the figures given by the Labour Office regarding clothing,—that is really the main correction which they have made,—and this is what the report says:

"Two other groups enter into the general index number, namely, the clothing group and the miscellaneous group. In regard to clothing the official figure is patently and almost admittedly defective."

The Bombay Labour Office have almost admitted it, because they themselves say that they have kept one figure regarding *Saris* used by the working classes, because they could not get the latest figures. This is what the report itself says:

"To mention only one source of error, *Saris* which constitute an important item with a weightage of 36 per cent in the clothing group have been quoted in the same figure in the Labour Gazette since September, 1939, because their later quotations were not available."

The Labour Office do not give the later quotations, because their figures were not available. The committee could get later figures by writing to the Millowners' Association.

The Honourable Sir Jeremy Raisman: Sir, perhaps it will save time if I state that whereas the Bombay Labour Office admitted that there were certain defects in their index, the correction applied by the Rau committee was entirely excessive and is certainly contested by the Bombay Labour Office.

Mr. N. M. Joshi: I shall ask the Honourable Member to produce the report where the Bombay Labour Office have stated that they have the latest figures. After all, the figures taken by this committee are figures taken from a respectable body like the Millowners' Association. I do not wish to discuss whether the report was right or whether the Government of India were right, but any impartial observer studying the report will find that the Government of India were not justified in making remarks regarding the report of the committee. As to the general question whether the Government of India should have varied the recommendations or not, my own general feeling is that I am not quite satisfied with the justification which Government have given for varying the recommendations of the report. Apart from the other considerations, there is what you may call a general consideration or a political consideration. We all want in our country that the workers should have confidence in the method of inquiry.

There are many complaints that the working classes in this country are inspired to go on strike or they are encouraged to go on strike, and they believe in the method of strike, but if the Government and the people in this country want to encourage people to have confidence in inquiries by committees, then it is necessary that the Government of India, unless they have very strong reasons, should not vary the conclusions of a Report of Inquiry appointed by them

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is again repeating himself

* **Mr. N. M. Joshi:** This is my last sentence, Sir.—I feel that the Government of India have made out no case for varying the decisions 12 NOON of the Court of Inquiry, and I wish they had given effect to the recommendations of that Committee Sir, I thank you for having given me an opportunity to place my view before this House

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official) Sir, I thank you for the opportunity you have given me I shall be very brief, because I know there is very little time left Amongst the many points that I wish to discuss, I shall centre my remarks on one or two things I would, in the first place, refer to one thing, and that is the inequitable system of distribution of minimum wage of Rs 55 on Railways

Then, I would ask the Government of India and the Education Department to hurry up with the Pharmacy Bill, otherwise they would put the cart before the horse if they pass the Drugs Bill first

Then, I would ask the Honourable the Finance Member, considering the alarming amount of profiteering that is going on in matches, to relieve the poor people by some attempt to stop profiteering which is becoming very rampant

Another point I would ask him to consider, not as an expert financier, is to take income-tax monthly, instead of annually, as is done by every other Department of the Government of India He might give his thought to this . . .

The Honourable Sir Jeremy Raisman: Monthly payments are taken in the case of salaried people

Lieut.-Colonel Sir Henry Gidney: I may be wrong, but I wish to put it to you

Then, a third thing I would ask my friend to consider is the imposition of death duties

The next matter I wish to mention is, I agree entirely with the views expressed by my friend, Mr Boyle, regarding the imposition of import duty on artificial silk yarn.

Then, one other question, I would like to ask him is, why extract so much money from the public by way of examination fees The amount of money that Government get from examination fees and the amount it actually spends

The Honourable Sir Jeremy Raisman: Examination fees of what?

Lieut.-Colonel Sir Henry Gidney: Examination fees from candidates going up for examinations for papers and things of that sort

The Honourable Sir Jeremy Raisman: I can assure the Honourable Member that the administration of entry to the public services is not a source of profit

Lieut.-Colonel Sir Henry Gidney: I am not talking of public services I am talking of all sorts of examinations for Railways, Posts and Telegraphs, and so on

Now, Sir, I come to my point, and that is what I might call the hardy annual,—and that is the Posts and Telegraphs. I am glad that my Guru, Sir Gurunath Bewoor, is here. I shall briefly refer to some of the points as I am unable to deal with them in detail. In 1925, I led a deputation to the Secretary of State. In 1928, I got a reply that the reduction of the Anglo-Indian community in this Department would be gradual. It was an honourable reply given by the House of Commons, by the Secretary of State representing the Parliament, who represented the King. You ought to remember it very carefully. Till 1928, the Member in charge was my friend Sir Andrew Clow, and he had gradually raised the salaries of all the inferior staff, menials and others, and quite rightly too, because the Indian servants were practically kept on a starvation wage, and it was raised to a very decent living wage, and I am happy about it. There was no rise for Anglo-Indians, because they were dissatisfied with it. In 1928, I got a reply from the Government Department in this House assuring me that there would be a gradual rise. The same year came the recruitment for telegraphists whose number, as far as my community was concerned, was reduced from 80 to 20. In 1930, there was a stop in the recruitment of telegraphists due to excess of staff, and examinations for recruiting engineering supervisors were started, which reduced the admission of my community from 50 to 60 to 1st. Thanks to the Member in charge. In 1931, there was a retrenchment scheme in respect of the services of Posts and Telegraphs, and the Anglo-Indians were badly hit more than any, and we were given 2 per cent of the total and 5 per cent of certain departments. The Government gave us 5 per cent of the postal clerical departments and 20 per cent of the telegraphs, which amounted to 6·1 of certain sections, but no engineering supervisor appointments. I protested against it in 1935. There was no recruitment of telegraphists that year. I am sorry, the Honourable Member is laughing. The postal job has given us 5 per cent from 1935 to 1937, and candidates were available in plenty. In 1937-38, an examination system was introduced by the Director General for recruitment to Posts and Telegraphs, and we got direct recruitment 50 per cent in the telegraphs, and nothing else. In 1939, the Stewart Committee sat, and, on my representation, that Committee was kind enough,—and I am thankful to Sir Andrew Clow and to H. E. The Viceroy,—to give us 40 per cent. of the 75 and others who were directly recruited, while we were denied every other post in Government, which means to say that the recruitment of the Anglo-Indian community in the Posts and Telegraphs has been practically ruined, and ruined by the Department today, and I unhesitatingly say so. The community that has served that Department so loyally has been treated so badly, and nobody can deny that. Their numbers have been reduced very considerably—I do not mind the reduction,—I have to be reduced, I know it.—but why do it in such a

clandestine manner? I have protested against this. I was given nearly 318 in postal. Every job has been cut off from my hand,—why? Because Sir Henry Gidney is supposed to have said, "We do not want posts in Postal Department". I never said that, and I challenge any one to prove that I ever said so. What I said was "Why cut my hand off the usual channel which I have asked in the Telegraphs?" Let it be gradual. Why cut me off so many jobs when the orders of the Government were that I was to be given so many? And why replace me in a channel in which I am not to be employed? Would you give me an excess in the Telegraphs for what you have reduced in the Postal? Let me have the same number of jobs as before. I have repeated this demand times without number on the floor of this House. What have you done? Sir, the Anglo-Indian community has been murdered by the Department. And do not laugh, let me tell the Deputy Leader of the Muslim League, to look up the records of the posts of engineering supervisors, and you will find that you are also sadly neglected, you have not got your 25 per cent or anywhere near it. You will find that you are just as badly treated as we are. And who is the gainer? I leave it to you to imagine. This is my bone of contention. If Government give a promise on the floor of the House, it has either to honour it or put it in the waste paper basket and consider themselves as a second Hitler. Here a promise was given, and here is an absolute breach of the promise, and I am left with a future where I have been reduced of all jobs. I have been given a few jobs in the Telegraphs, and I have been denied every job in the Posts, and the Director General knows it is true. I challenge him to deny it. Why has he done so? Are we anathema to him? Have we not served his Department well? We have given our blood and our tears and our lives for him and this is what we are going to get in 1941. In the name of humanity, in the name of justice, and in the name of everything that is honourable in the British Empire, I protest against this treatment. I have fought and fought for the community and I give the Government of India an opportunity—I challenge them to take me to the Federal Court, and before that Federal Court I will show that section 242 has not been operated at all. I am not complaining because a war is on, and I am a peaceful, loyal citizen. But, God help, I am going to take it to the Federal Court, and, if necessary, to the Houses of Parliament when peace is established, and if the Act is there.

Mr. M. S. Aney (Berar Non-Muhammadan) By that time, it may be time-barred

Lieut.-Colonel Sir Henry Gidney: You will be there and I will be there. But that is not the point. So long as it exists, it should be carried out. Government cannot take on themselves the position of Hitler, as they are doing in this Department. I know what is happening. The absence of the human touch is there in this and in every Department, and I protest against this. It is wrong. I repeat here that it is nothing else but a vendetta, and why is it done? Why am I not taken in the service? Am I to be chucked into the street, because I have given good service? Replace me certainly. I know I must be replaced and I am prepared to be replaced. I raise no objection to that, but I want to know why you are taking this kind of vendetta on me and take 1,800 jobs away from me by just a stroke of the pen. Why should that be done? I tell you that the members of that committee, if they have been made aware of this disastrous result, would never have signed that report.

[Lieut -Colonel Sir Henry Gidney]

I know for a fact that they were not aware of this, and why? We were never informed of it I have a few hundred jobs in a Department which I practically monopolised I am prepared to give it up I had a few hundred jobs in the Telegraphs, but all the postal jobs have been taken away, and it is closed to me Why? No candidates are available I know that no candidates are available For what? And yet before this report, any amount of candidates were available from 1935 to 1937. If there are not suitable candidates available, the Department is bringing in unsuitable people and unqualified people Between the years 1935 and 1937 we had enough Today we prefer infinitely to serve the King and risk our lives in the cause of the Empire, but in the Department where we worked, we have no future That is the position that I want to place before the House It has taken me years before I could get all the facts I have tried all manner of means I have tried appeals I have had discussions with the Department and with the Member for Communications If I am given another chance for discussion, I will place before him all the facts and show him that I am not wrong But he will not hear me All this happened before he took office—I do not blame him If he is prepared to do this, I am quite prepared to have a conference, but otherwise I ask him to go to the Federal Court and see whether I am right or wrong and if section 242 is not being applied at all in a proper manner, and, as a result, the orders of the Houses of Parliament which are mandatory and statutory on the Government of India are being tinkered with and played with in the Posts and Telegraphs Department

Sir Syed Raza Ali (Cities of the United Provinces Muhammadan Urban) Sir, it is impossible indeed not to sympathise with the Finance Member The Finance Bill he has introduced is a carefully considered war measure which, I am sure, he can defend on its merits I should not be understood to mean that it is a perfect Bill or is not capable of being improved upon My point is that, while affording scope for improvement, it is a Bill to which the Opposition would give its support in any country which was the master of its own destiny In India, however, conditions are artificial, unreal and abnormal Sir Jeremy Raisman, therefore, cannot complain if the financial test were to give the pride of place to political considerations

I want to make a very short speech indeed A good deal has been said about our industrial and fiscal wants All I can say on the subject is that it is high time that the Honourable the Commerce Member started tackling the serious problems relating to the development of our industry and the future fiscal policy to be adopted by the Government of India We have got reports of two Commissions—the Industrial Commission and the Fiscal Commission The Industrial Commission was appointed in consequence of a motion which was moved in the old Imperial Legislative Council on the 19th May, 1916, when the last war was half way through What is the Honourable the Commerce Member doing now? I have not the least doubt that both these reports are antiquated documents The time at my disposal will not permit me to examine the provisions of both these reports, through which I have carefully gone; but I can say that both these are antiquated documents This admission was made by the Commerce Member himself Let him, therefore, consider what is going to be the fate of our industries after the war The words "key industries"

were used by him, but he failed to point out as to what he or the Government of India consider as key industries. What test do the Government of India propose to apply to find out which industry is a key industry? Again, what form is the Government of India's aid to these so-called key industries going to take on the termination of the war? So far as the Fiscal Commission is concerned, all I can say is that the rigid conditions laid down in paragraph 97 of its report are so exacting that no country complying with these rigid conditions can give sufficient encouragement in the form of protection to its industries. The result of all this would be obvious to those who have even cursorily examined the Finance Bill.

* We find that protection is enjoyed by the match industry in India. Strange to say, nearly four-fifths of the match producing industry in India is controlled by foreign capital and by foreigners in spite of the fact that there may be one Indian Director of the Swedish Company in India.

Section 116 of the Government of India Act was referred to by the Commerce Member. I think that even within the scope of section 116 a lot can be done to encourage Indian industries, for instance, this would be a case in point. Is there any reason why a duty of 10 per cent. should be put on tubes and tyres and other rubber articles manufactured in India without imposing a countervailing duty on the imports into India of these articles? I cannot see where the justice of it is, where the reasonableness of it is. Time is very short and, therefore, I pass on. All I can say is that if the Government of India start dealing with the commerce and industry in right earnest now, even then I believe at the termination of the war they will find themselves unready, and if they go to sleep over it, I am afraid they will be caught napping.

The next subject I propose to touch very briefly upon is the question of Indians overseas. Now, in this connection, I want to confine my remarks solely to our present relations with Ceylon. Fortunately, the Governor of Ceylon has given a very cogent, definite, convincing reply to the protest that was lodged by his Ministers on the 11th February, 1941. That reply has already been published in the press, and I will not, therefore, refer to it at any great length. Sir, the position is this. Two Bills are before the Ceylon State Council today. One is the Non-Ceylonese Registration Bill, and the other relates to immigration and the regulation of certain matters by the Ceylon Government. The first deals with registration and the second regulates immigration and other matters. Both these measures are highly objectionable. The Governor has already spoken out his mind on these measures. The only question is what we on this side are going to do. My advice to the Government of India is this. Nobody wants at this critical juncture to be a party to anything which would further embitter feelings between any two parts of the British Commonwealth of Nations. At the same time, if even in this crisis any part of the Commonwealth is prepared to hit us, we should be ready to hit back. My advice to the Government of India is. Let them not take alarm at the idea of exploring the possibilities through the Commerce Department of our hitting back Ceylon in economic matters. I would go further and I would ask the Government to keep ready a Bill so that Government should be in a position to introduce that Bill in this House if the course of events in Ceylon goes against us. I know that it is open to any Member of this House to prepare such a Bill and introduce it, but I think it would be much

[Sir Syed Raza Ali]

better if the Government themselves did it I do not want Government at the same time to proceed with the Bill But let them introduce it and keep it pending Let us deal with the Bill in the spirit shown by the Ceylon State Council in dealing with these two objectionable Ordinances

Thirdly, I will come to the question of the administration of the Archaeological Survey of India That is a painful subject Unfortunately, what goes on in this country is that we demand Indianisation, and when an Indian is appointed, one section of us or another is prepared to find fault with that Indian officer who is put in a responsible position But, Sir, there are limits to which the caprices and whims of an Indian officer can be allowed to go I do not want to go into the unpleasant history of the questions which I put in this House, and I must congratulate the Government for making candid statements without any attempt at evasion From those statements it appears that the administration of the Archaeological Department, unfortunately, is rotten Things have come to this that a matriculate junior is preferred to an M A in History who has written articles of value involving research work Things have come to this that a man who had been sent to jail on a charge of theft, though that was a technical charge, is re-employed without any compunction Things have come to this that a man who submitted a false bill for travelling allowance is allowed to go scot-free and the officer who wants to catch him is not allowed to do that, and the Director General, Archaeology deals with the whole question himself and does not take any notice of this most serious irregularity on which I have known responsible officers being dismissed Let me make it clear that the Education Secretary has dealt with my questions on this subject candidly and fairly as far as he could, but I ask him to take note of the feeling of the unfortunate Muslim subordinates There is a feeling of intense insecurity amongst them, and I put it to him whether he can devise any means for securing the confidence of the subordinate Muslim staff on the one hand and of the Muslim community on the other Nobody wants really to embitter feelings further on this question, but surely it is high time that a strong check was put on the capricious exercise of power by the Director General of Archaeology

Sir, the next question is one dealing with recognition of communal unions, in which, I am sure, my Honourable friend, the Communications Member, will be interested I happen to be the President of the Subordinate Accounts Services Union in Delhi, and I find that the union has made a number of applications for recognition These applications have been turned down on the ground that it is open to the Muslims, instead of starting their own union, to join the general union I think this objection comes too late when one remembers that this is a country in which separate representation prevails not only for Muslims, but for Europeans, for Sikhs, for the depressed classes, for Anglo-Indians Even provision is made for the representation of these important communities in the public services (Interruption by Mr N M Joshi) This policy has been carried right through It is too late for the Government to preach the virtue of common unions and to say that the Muslims should join them The Muslims are not going to join them The only question is, are you prepared to deal justly by the Muslims or not? If you are prepared to deal justly, recognise these Muslim unions if they are found to be satisfactory, and I am

sure my own union is functioning in a satisfactory manner. Don't trot out this lame excuse that the Muslims should not start their own unions if other unions are available in the country.

Lastly, I would deal with the subject of the present political deadlock. This is a matter on which the attention of most of us is concentrated. In offering a suggestion or two on this question, let it be clearly understood that I shall not be speaking on behalf of the Muslim League Party, but will give expression to my own personal views. So far as the official spokesman of the Party is concerned, he will be speaking in the afternoon and will put the case of our Party before this House.

I value the effort recently made by no-party leaders in Bombay as showing that, while the country is doing its best to help England to win the war, it is not doing much to help itself. Sir Tej Bahadur Sapru, who commands the respect of all important political parties, was associated with the Bombay Conference, but I am afraid he and his co-workers are not likely to succeed in devising means to bring the Congress and the League together. The Government can have an expansion of the Executive Council without the co-operation of these two parties, if it so desires, but such expansion will not touch even the fringe of the political problem. What are we to do? I suggest, and it is my personal suggestion, that a Commonwealth War Advisory Committee be established in London, of which, representatives of the Congress, the League, the Indian States and the Government of India, along with representatives of other countries of the Commonwealth should be members, the Congress and the League representatives to be nominated by the Congress and the League leaders. There is nothing so effective in introducing an atmosphere of goodwill as the association of people with common problems. Indian leaders will be in contact with each other as also with representatives of England and the countries of the Commonwealth in this committee. Such contact is bound to have effect in course of time, and we may thereby achieve results for which the present atmosphere in India affords little or no chance.

My second suggestion is that a Defence Committee with representatives of this House and the nominees of Indian States be established without delay to assist His Excellency the Commander-in-Chief in India in the conduct of war. The functions of the committee may be advisory. I am afraid they will have to be advisory having regard to the present Constitution, but there should be no prejudice against it, and it should not be treated as being just a tolerable nuisance.

May I say, before I sit down, that the European Group in this House have a unique opportunity of influencing the policy of Government on the one hand, and acting as a bridge between the Congress and the League on the other hand. I remember what valuable work was done by Mr Lionel Curtis when the Montagu-Chelmsford reformer scheme was under consideration in this country for nearly 2½ years. I can say that if the European Group is so minded and realises the importance and the delicacy of the questions with which we are confronted today, it can take up work which was attempted and done very successfully by Mr Lionel Curtis. In the European Group we find men like Mr Buss, Sir Frederick James and the silver-tongued Mr Griffiths who also has considerable experience of administration. I think matters are far too serious really to allow any Member of this House to be light-hearted or to indulge in cracking jokes. The European Group, if they want to do it, can do real service both to

[Sir Syed Raza Ali]

India and to England They are the people who are trusted by Government. They are people who can carry on conversations on important topics involving secret affairs with the head of any Government in any province. I also believe that here in Simla and Delhi they wield very considerable influence. Their influence in the past has occasionally been exercised to promote the interests of the country, though in exercising their influence they do not as a rule forget themselves—a matter of which I think I should not complain. But I do think matters are far too serious to allow the European Group to sit quietly. So far as I can see, they are the only body that can bring about a contact . . .

Mr. President (The Honourable Sir Abdur Rahim) The Chair would remind the Honourable Member that other Honourable Members want to speak

Sir Syed Raza Ali: I attach very great importance to the last suggestion I have made—not that I don't attach importance to other questions on which I have touched

Dr. F. X. DeSouza (Nominated Non-Official) Mr President, as a solitary representative in this House of the Christian community, I am thankful to you that I have caught your eye in this debate, because, owing to the difficulties of obtaining audience in view of the procedure adopted in this House in a debate of this kind, Members, not belonging to any party, like myself, find it very difficult to obtain an audience, and were it not for the fact that I caught your eye

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must remember that seven unattached Members have spoken already

Dr. F. X. DeSouza: the result would have been that a community of more than 10 millions . . .

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had better get on with his speech

Dr. F. X. DeSouza: The subject on which I wish to address a very few remarks is one which is uppermost in men's minds today, I mean the political deadlock which prevails in the country, and how far and to what extent the solution proposed by His Majesty's Government as well as by His Excellency the Governor General in his declaration of the 8th August affects the community to which I belong. The solution proposed by His Excellency the Governor General in the declaration of the 8th August is that, to resolve the present deadlock, a Government, approaching a national Government, will be formed by expanding the Executive Council, and the method proposed for expanding the Council is by summoning representatives of important elements in the national life of India—I am quoting the very words of the Rt Honourable the Secretary of State, as well as of those communities which, by long association with the British Government, have obtained a special claim for special recognition by the British Government Sir, in pursuance of the declaration, His Excellency the Governor General invited a large number of leaders, including as many as 52 persons, to

whom he granted interviews, but, Sir, not even by name, was the great community, to which I belong, mentioned either in the Secretary of State's declaration or in the Governor General's declaration. Out of the 52 interviews granted to leaders, not one leader of the community to which I belong has been summoned. Is this justice to the community which I represent? Are we so negligible in the life of India that our interests are not to be consulted at all? Is it forgotten that we have contributed so largely to the national uplift in the matter of education on western lines to which we, with missionary capital and our own man power, have contributed? Only the other day we have rendered a signal contribution to women's education. Every community in Bombay acknowledges with thanks the services rendered by the new Women's College, especially those communities who object to mixed education. The college has been opened by those famous educationists, the nuns of the Sacred Heart, and is welcomed as a boon and a blessing. Unfortunately my community has been consistently neglected by the Government of India,—whether under the Government of India Act of 1918, or the Government of India Act of 1935, or the Government of India Act as administered under the emergency powers—section 92 of the Government of India Act, we have always been left in the cold. It is not so much a question of a deadlock with us, it is a question rather of a lock-out.

An Honourable Member: A stay-in strike

Dr. F. X. DeSouza: It may truly be said that Governments may come and Governments may go, but we stand "out" for ever

Sir, I entreat the Government of India—who are now gradually parting with power in favour of a national Government (Interruptions "no, no") not to hand us over to a national Government branded with the brand of inferiority. Sir, I ask the Government to include us as an important element in the national life of the country, and give us our due place in the country's public life. But whatever the view of the Government of India may be, I am glad to say that our sister communities have always treated us and will continue to treat us with far greater consideration. They specially appreciate our freedom from communal bias. Sir, I am not disclosing a secret, but I may tell this Honourable House that only the other day important leaders of our community were approached by the emissaries from the rival majority parties to act as intermediaries in order to resolve the deadlock. I am not divulging a secret, but this is well-known to some of our leaders that they were asked to approach Mahatma Gandhi and the Qaid-e-Azam, but, Sir unfortunately things had reached a stage

Mr. M. A. Jinnah (Bombay City Muhammadan Urban) I am not aware of any such thing

Dr. F. X. DeSouza: things had reached such a stage that it was impossible for them to approach them

Mr. M. S. Aney: Nobody has approached you?

Dr. F. X. DeSouza: I can say it is a fact that attempts were made to approach the leaders, but whether with success or not, I do not know

Mr. M. A. Jinnah: All I can say is that nobody has approached me. That is all I can say. And I do not know who the leaders are of the community to which the Honourable Member belongs.

Mr. N. M. Joshi: How can anyone approach one who is "unapproachable"?

Mr. M. A. Jinnah: That is really an unjust remark to make, because Mr. Joshi himself sees me three times in the day and smokes a cigarette with me in the Lobby.

Dr. F. X. DeSouza: Now, Sir, I just want to say a few words on the political implications of the deadlock in its general aspects. A leading English magazine pointed out the other day that thirty-two ex-ministers were in jail and seven ex-premiers were also in jail, expiating behind the prison bars the "faith that is in them" and the paper adds, "Is it not a fact that these thirty-two ex-ministers and seven ex-premiers were elected to the Legislature by seventy-per-cent of the electorate?" Is it not a fact that seventy per cent of the electorate feel that the political faith that is in them is declared unlawful by the Government, and more or less outlawed by the Government—because these leaders are put in jail for professing those faiths? So it is not for me to explain the repercussions of this impression among the people on the war effort. I myself have attempted to do my bit with regard to the war effort. I have approached a large number of people, especially educated people, in British India as well as the Indian States, but I am sorry to say that Indian opinion, especially educated opinion, is averse to giving such help in view of the manner in which the national leaders have been treated. My reason for mentioning this here is to ask the Government of India to do all that is in their power to solve this problem and thus to quicken the results of the war effort.

How the deadlock is to be resolved, it is not for me to say, wise men have met in Bombay and have recorded their decisions and where wise men have feared to tread, I certainly shall not venture to rush in, but one thing I should say, and that is this that unless and until the promises that the Government of India have made leave the domain of "promise" and reach the regions of what lawyers call "performance" or "part-performance", they will never fructify. Sir, promises made under stress are always open to the suspicion that when calmer conditions are restored, they may not be fully implemented. We all know what the promises made by the sick man of Hudibras resulted in.

"The devil was ill, the devil a monk would be,

The devil was well the devil a monk was he"

It is in that light, I am sorry to say, that educated opinion regards promises made by the Government of India. I, therefore, ask, in all humility out of love for my country, and out of love for the Empire to which I belong, that the promises made should be implemented at least by "part performance". My friend, the Honourable Sir Homi Mody, suggested that there should be something in the nature of a guarantee that whatever resolutions might be arrived at by the leaders of the communities should be implemented by Parliament. It is for the Government to consider that very valuable suggestion, but unless and until something in the nature of part performance is done, the people of India will regard these promises as written on sand.

Whatever the new Constitution may be, Sir, we feel that so long as you conduct the elections in the future on the basis of separate electorates, the present trouble will never end, and there will be all sorts of schemes for Pakistan, schemes for Hindustan, schemes for Khalistan, and schemes, shall I say, of Gudneystan, and so on and so forth—and unless the elections in future are conducted on a joint electorate basis with reservation of seats, things will never improve Sir, look at the situation today communities are arrayed not for peace, but they are arrayed in armed neutrality They act not for the benefit of the country as a whole, but for the benefit of the particular community which they are representing Their policy is one of "beggar my neighbour" Their prayer seems very much like the prayer which that of the Balkan States is said to have been

"Oh, Lord, make me blind in one eye,

Provided you make my neighbour blind in both eyes "

That seems to be the attitude of the communities today, and unless and until that vanishes—and my suggestion is that it will only vanish by the institution of joint electorates with reservation of seats—this sad state of things will continue for ever

Sir, the Right Hon'ble the Secretary of State for India suggested a formula for rectifying this state of affairs He said that the whole of India should adopt the slogan, "India first" I saw the same slogan translated in a different manner in an anti communal award meeting which I attended in Madras, where on the board of the dais was printed in bold letters an invocation to the mother land

"Hindus and Moslems and Christians are we,

But all of us Indians in our worship of Thee "

And, side by side, was written

But all of us In

Here lies the point of the suggestion made by my Honourable friend, Sir Syed Raza Ali Probably there is no community which will have greater influence in bringing about a solution of the present deadlock than the European community The European community has a political consciousness and its tradition of nationhood but unfortunately there are people in the country who think that they have identified themselves too much with the Government to be able to give disinterested help In this connection I would invite their attention to what the Right Honourable Mr Amery said He said that even the British Group in India will help in the solution of the present deadlock by adopting the slogan which he proposed "India first" So long as the solidity and strength of the Empire is assured, they should identify themselves also with India as a whole

My time is up, and I do not wish to take longer time than I am allowed So, with these words, I resume my seat

Maulvi Syed Murtuza Sahib Bahadur (South Madras Muhammadian) Mr President, before proceeding with the subject of my speech, I wish to recite a Persian saying

"Chu dakkhat neest kharch ahista tar Kun"

[Maulvi Syed Murtaza Sahib Bahadur]

The Persian philosopher and politician Sadi of Shiraz particularly advised the Governments that when their resources are scanty and poor, they should cut short their expenditure. This principle has not been adopted by the Government of India. That is our contention. When the army budget was 45 crores, our contention was that it could be reduced to 30 crores. In one of my speeches on the budget on a previous occasion I have proved this by facts and figures. Now, it has doubled itself. From 45 crores it has nearly doubled itself when it has risen to 84 crores. That is why we have got a deficit balance of nearly 20 crores and a half. Correctly speaking, it is 20 crores and 48 lakhs. Reduction could have been effected in so many ways and this deficit could have consequently been met easily. First of all, we are deadly against the principle of taxation, because without representation there cannot be taxation. Now, there is no representation here. Government have been going on with taxation according to their will and pleasure. Had they resorted to the advice by not allowing the Supply Department to give increases according to their will and pleasure, they could have effected substantial saving. In this connection, the House cannot but praise officers like Mr Jenkins, I.C.S., who is the Secretary of the Supply Department and Mr Ghulam Muhammad. So far as I know, these are the only two gentlemen who did not want anything extra in the Supply Department, one from among the Indians and another from among the Europeans. All others have had their fat salaries. And as regards the salary cut, of course, it could have been effected very easily as a War measure. This is what I wanted to say regarding the advice referred to at the outset.

As regards the other two or three points that I wish to make out, I would like to invite the attention of the Government to them. During the last session we passed a Resolution in favour of the appointment of a pilgrim officer. Subsequently, a Special Officer was appointed by the Government of India for which they are to be thanked. Of course, the report is not yet published and we are afraid whether the Government will give it the attention that it deserves. The thing is this. The Government of India has been spending about 37 to 38 lakhs of rupees towards the Ecclesiastical Department. On a previous occasion this subject was fully dwelt upon by the Leader of our Party, though the Muslim League Party was not then formed. We know that it is a non-votable subject. But when have been spending 37 to 38 lakhs of rupees every year towards the maintenance of the Ecclesiastical Department, why have you reduced the pilgrimage charge from Rs 30,000 a year to Rs 12,000 a year? Formerly, when there was a Pilgrimage Department in the Government of India, they were spending about Rs 30,000 a year. Now, if you go through the figures for the last three years, you will find that it has been reduced to Rs 12,000 per year on the average. This amount goes towards the upkeep of the Bombay Port Haj Committee and the Calcutta Port Haj Committee. So far as the Karachi Port Haj Committee is concerned, not a single pie goes towards its upkeep because it is self-supporting. But this Rs 12,000 is not at all enough. My contention is that if the report of the Special Officer should be favourable to our Resolution, the Finance Department should have no objection whatsoever to appoint a Special Officer to look into the grievances of the Hajis. Haj, as you know, sir, is incumbent on every Muslim who can afford to undertake the journey both physically and financially.

Now, I wish to bring one more thing to the notice of the Government and it is this. This point was also touched upon by my Honourable friend, Sir Syed Raza Ali. As a southerner, I am also very much interested in Ceylon affairs. Ceylon has got many southerners, particularly, the Madrasis, and it is they who have built up Ceylon to a great extent. Just as our Mopla friends have built up the whole of Malabar and have converted it into a garden, similarly the Madrasis have made Ceylon what it is now.

Mr. H. A. Sathar H. Essak Sait (West Coast and Nilgiris Muhammadian) Have you been to Ceylon?

Maulvi Syed Murtuza Sahib Bahadur: Our Honourable friend who represents Malabar justly feels proud of the fact that the Malabaris have had their share in building up Ceylon. Now, Sir, we are being ignored so much that even Acts are being enacted against our interests. The Ministers of Ceylon did not care even for the warning message of their Governor. Such is the state of affairs there. We should thank the Government of India for having taken a very firm stand regarding the Ceylon affairs and we hope that they will prove themselves firmer still in their resolution when the case of Indians is at stake there. The line of action suggested by my Honourable friend, Sir Syed Raza Ali, may be taken.

I am sorry to see that my Honourable friend, the Commerce Member, is not here. Most probably he is absent in connection with the deputation to which I want to refer on the floor of the House. So far as southern India is concerned, the skin and hides industry was in a great flourishing condition, now there is the danger of the industry collapsing. A deputation of about 10 or 11 members has come from Madras to place their case before the Commerce Member. Most probably today is the time fixed for interviewing the deputation by the Commerce Member. It is hoped that the Honourable the Commerce Member, not only because he comes from Madras, but also because he is an Indian with sympathetic views will interest himself a great deal in the skin and hides merchants of southern India. Sir, Trichinopoly which happens to be my own place is a place where there were a great many tanneries. Some tanneries have been closed down. Though I am not a skin merchant yet I am much interested in it, because many of these merchants are my constituents. Should the industry collapse many skin merchants would be ruined.

I wish to refer to only one other point before I conclude my speech. The other day, one of the Members of our party spoke something in favour of the Government, not exactly in favour of the Government, but in favour of the policy adopted by the Government as regards repression. That was his individual opinion. But some friends of the Congress Nationalist party unnecessarily attacked the whole of our party, the Muslim Leaguers. It was quite wrong on their part to have done so. My Honourable friend sitting behind me, Mr. Lalchand Navalrai, and my Honourable friend, Sardar Sant Singh, attacked the Muslim League Party and said that the Muslim League Party was in favour of Government and that they are for repression and such other things. Unfortunately the Leader of the Congress Nationalist Party was not present then. This discussion was on the cut motion brought forward by my

[Maulvi Syed Murtuza Sahib Bahadur]

Honourable friend, Qazi Muhammad Ahmad Kazmi When there was a Resolution regarding repression by my Honourable friend, Mr Joshi, all of us as a party supported him Honourable Members of the Congress Nationalist Party are fully alive to this fact, and yet some of the Members belonging to the Party attacked the Muslim League Party that they are supporting the Government It is not at all a fact

Mr. Lalchand Navalrai: May I point out, Sir, that the Honourable Member has mixed up the speeches I never said that the Muslim League Party are for repression I never said so in my speech

Maulvi Syed Murtuza Sahib Bahadur: I accept the correction. He found fault with our Party in some other matters When the Resolution for the introduction of reforms in Baluchistan was under discussion, all these accusations were laid against the Muslim League Party by some Members of the Nationalist Congress Party including my friend Let them deny that With these words, I conclude

Khan Bahadur Sheikh Fazl-i-Haq Piracha (North-West Punjab Muhammadan) Sir, I would confine myself, with your permission, to say a few words with regard to an affair in my district of Sargodha in the Punjab to which my Honourable friend, Sardar Sant Singh, repeatedly referred in the House during this Session Sir, although my Honourable friend, Nawab Siddique Ali Khan, tried to throw light on the matter, but he could not do full justice, because of the very little time he had at his disposal I would deal with it fully within the short time at my disposal

Sir, while speaking on the 11th March on the Finance Bill, my Honourable friend, Sardar Sant Singh, discussed the Defence of India Act, and, in the course of his speech, condemned the action of the Punjab Government and that of the Deputy Commissioner Sargodha, for the application of the Defence of India Act towards religious processions, and stated that at Sargodha the anniversary of Guru Govind Singh was not allowed to be celebrated, that the procession was interfered with, and at this time, thirty-one persons were under arrest for having attended the procession under the Defence of India Act On the very opening day of the Assembly Session, the Honourable Member moved a motion for adjournment bringing into question the conduct of the telegraph authorities at Sargodha for their refusal to transmit telegrams of complaints against the high-handed action of the Deputy Commissioner on the occasion of the birthday of Guru Govind Singh on the 5th January, 1941 Then, again, he asked a volley of questions on the 25th February in connection with the same incident Sir, although the motion for adjournment was ruled out of order by the Chair and the questions were properly answered by the Honourable Member in charge of the Department, yet I feel that there is a likelihood of some false impressions having been created in the minds of some Honourable Members of the House regarding the action of the Government, of the Deputy Commissioner and of the Telegraph Master, Sargodha, for having banned the procession and for having withheld the transmission of the telegrams in question on account of their being of objectionable nature I deem it my duty to remove such misunderstandings that might have arisen as to the justice, fairness or otherwise done to the Sikh community

Sir, a great communal tension existed between the Sikhs and the Muslims at Sargodha since last year when, at the time of the annual meeting of Anjuman-i-Islamia, Sargodha, Muslims had gathered in thousands from all the corners of the district, the Sikhs of Sargodha picked up a quarrel with the Muslims and gave them grave provocation, thereby inflaming their feelings. The communal tension ran so high there that an open clash seemed imminent. The danger was growing, as members of each community were pouring in the town every moment to measure their strength with each other. Had not the Deputy Commissioner shown great presence of mind, extraordinary courage and foresight at his own personal risk, to his own life, not a single Sikh would have returned to report what had happened, for the Muslims out-numbered the Sikhs and had good cause to give battle.

Mr. M. S. Aney: May I know whether the Muslims, who the Honourable Member says outnumbered the Sikhs were armed with sticks and swords and other weapons?

Khan Bahadur Shaikh Fazl-i-Haq Piracha. No. Some carried lathis. The Deputy Commissioner had to promulgate curfew order and an order under section 144 for several days to bring the town to its normal state of affairs. The sane elements among the Sikhs in Sargodha felt deeply grateful to him for his timely action which saved the Sikh community from a very awkward and critical situation. Now, the same community applies to the same Deputy Commissioner for a permit to take out a procession on the Guru Govind Singh birthday on 5th January. The Deputy Commissioner who had such a bitter experience last year could not reasonably be expected to allow such a procession without imposing some restrictions and taking adequate precautionary measures in the interest of the public in general and the Sikh community in particular. He could have disallowed the procession altogether and would have been justified in doing so, but, out of regard for the feelings of the Sikh community, he granted permission with certain route restrictions against the desired proposal of the Sikhs in their own interest, as, in their proposed route, there lay a mosque which, according to the justified apprehensions of the Superintendent of Police, would in all probability have been the scene of bloodshed had the procession been allowed to pass that route. The Sikhs did not agree to restrictions laid down by the Deputy Commissioner on the procession route and, instead of resorting to constitutional protest, broke the law and took out the procession through the prohibited route in contravention of the orders of the district authorities. The result was that a few arrests were made. The cases against the arrested persons are still pending in Court and the Honourable Member ought to have refrained from alluding to them while discussing the wrong application of the Act under which they were arrested till they are finally disposed of. It is now for the House to judge if banning the route of the procession and the arrests made under the Defence of India Act was a justified action of the authorities or not.

As for withholding of the telegrams in connection with the above incident, it is also for the House to judge. The House will be surprised to know that the text of the telegram was not even known to the Honourable Member who was so eager to condemn the Government and

[Khan Bahadur Shaikh Fazl-i-Haq Piracha.]

moved an adjournment motion. The House can well judge the insufficient knowledge of the incident the Honourable Member might be having when he even did not know the wording of the telegram which was the basis of his wordy fight with Government. The substance of the telegram, and not the actual words, stated by Sardar Sant Singh in his question No 188 replied to on the 25th February, 1941, reads as follows:

"Unarmed religious procession on the anniversary of Sri Guru Gobind Singh using customary route lathi charged by the police over 20 persons injured conditions of a few serious about 12 persons arrested so far lorry carrying Guru Granth Sahib taken by police Gurdwara management prevented by authorities from raising pandal in front of Gurdwara for holding anniversary dewan Sikh feeling perturbed."

The Telegraph Master, as stated in his reply by the Honourable Sir Andrew Clow, was doubtful whether it was not of objectionable character, and, therefore, referred it under rule 15 of the Indian Telegraph Rules to the chief civil officer of the district (*i.e.*, the Deputy Commissioner), and under his advice he treated it as objectionable. He apparently held that the whole of the telegram was objectionable. It is now for you to judge, Sir, what effect, in these circumstances, would have been produced, if a telegram of that nature, which I have just read, was transmitted and published in the newspapers. This would have only further aggravated the communal tension which was already serious enough. It will thus be clear that the Telegraph Master does not deserve to be accused, and no more so the Deputy Commissioner who has been indirectly the real target of the attacks of Sardar Sant Singh. The Deputy Commissioner, be it remembered, who is a most popular, and very capable and one of the officers of the Indian Civil Service in the Punjab, deserves appreciation from the Sikh community, but I would like you to know, Sir, that the Deputy Commissioner has come to deserve such unwholesome attention from my Honourable friend, Sardar Sant Singh, because the officer happens to be one Mian Aminuddin, and not Sardar Amn Singh. Had it been so, the criticism of the Honourable Member would have turned into appreciation. But Sardar Sant Singh is not to be blamed for that, because he represents the Sikhs of Sargodha district and must prepare a field to be returned again to the Assembly by his constituents. Picking up communal questions, right or wrong, has always been considered an easy way of becoming popular and widely known which at least in this case is not in the best interests of the people he represents. I am glad to say that the people of Sargodha do not hold the same feelings which Sardar Sant Singh has tried to create. The Honourable Member, in his deal in condemning the application of the Defence of India Act, not only attacked the Central Government, the Punjab Government and the Deputy Commissioner, Sargodha, but attacked even the highest judicial authority of his province, the Chief Justice of the Punjab High Court, who is considered to be, and actually is, above the politics of the country in administering justice. He described him as having been "influenced by the political issues of the day", and he was also pleased to state that the relations between the Chief Justice and the Indian Judges are very much strained, and that there is a complete boycott between the two sections over some order of the Chief Justice regarding the trial of cases under the Defence of India Act. The responsibility of such a statement lies on the speaker himself, but from what I can guess, these might be the views of the Honourable Member himself, as we have not received such information from any other source. Whatever the facts may be, a

responsible member like Sardar Sant Singh should not have made such a reference to the Chief Justice in the manner he has done. He would, of course, by doing so, have a wide propaganda for himself for having been bold enough to attack the highest judicial authority of the province I can with personal knowledge and full confidence say that the Chief Justice of the Punjab in the person of Sir Douglas Young is not only a popular judge, but is also the most conscientious Chief Justice, that Punjab has ever had. He is very much loved by the people of the Punjab who have implicit faith in him being absolutely fair-minded and just and far above the insinuation made against him by my friend, Sardar Sant Singh Sir, I have done.

REFLECTIONS ON THE PARTIALITY OF THE CHAIR AND NAMING OF MAULVI ABDUR RASHEED CHAUDHURY

Mr. President (The Honourable Sir Abdur Rahim) Before the House rises, the Chair regrets to have to read out a letter which has just been sent to it by Maulvi Abdur Rasheed Chaudhury

"Dear Mr President,

I must protest against your way of selecting speakers in this House. You have been selecting speakers after speakers from this party and that party, I stood up 14 times to speak in the Finance Bill in the November Session last, but you gave me no chance to speak. This time I stood up no less than 14 times and you ignored me and gave me no chance. This shows that you are not doing your duty in this House impartially as is expected. I strongly protest against your partiality (sic) to me in this House."

The Chair does not know what the Honourable Member means

"The time has come for you to be either just to all or to vacate. Your impartial treatment (sic) can no longer be tolerated."

The Chair thinks suitable action has to be taken (*Voice of "He must apologise", "Withdraw the letter", etc*). Unless the Honourable Member is prepared to apologise the Chair will have to take proper action

Maulvi Abdur Rasheed Chaudhury (Assam Muhammadan) Sir, I did not mean . . .

Mr. President (The Honourable Sir Abdur Rahim) The Chair will tell the House what happened. As Honourable Members know, this is the sixth day that this discussion has been going on. A most unprecedented amount of time has been taken on this discussion, and this gentleman, Maulvi Abdur Rasheed Chaudhury, belongs to what is called the unattached group, and of that group no less than seven members have had an opportunity to speak. Of the other parties, nine members of the Muslim League Group have spoken and they have taken nearly 8 hours, of the Congress Nationalists five members have spoken and they have taken 6½ hours, of the European Group five members have spoken and they have taken nearly 1½ hours, and the unattached Members have taken nearly 5 hours. There is a limited time at the disposal of the House and the Chair sent word to Maulvi Abdur Rasheed Chaudhury asking him whether he would limit his speech to 10 minutes because that is about the time

[Mr President]

that the Chair thought would be at his disposal if the arrangement had to be carried out. Thus the Honourable Member refused to do. He did not agree to limit himself to any time whatever, and under the circumstances unless the entire arrangement was to fall to the ground, the Chair could not give him an opportunity to speak. But this is the letter he has written and the Chair leaves it to Honourable Members to express their opinions about it.

Maulvi Abdur Rasheed Chaudhury: Sir, I never intended to give any offence, nor did anything wrong.

Mr. President (The Honourable Sir Abdur Rahim). The letter speaks for itself—unless the Honourable Member did not understand what he was saying. There cannot be any more serious offence for any Member of this House to commit.

Maulvi Abdur Rasheed Chaudhury: Sir, I find the Chair has taken it too seriously and I withdraw it.

Mr. President (The Honourable Sir Abdur Rahim). It must be an unconditional withdrawal, with an ample apology to the Chair. If the Honourable Member is not prepared to do it, he will have to take the consequence. It is a most unwarranted and unjustified letter.

Maulvi Abdur Rasheed Chaudhury: I do not like to impose any conditions to what I wanted to do and I, therefore, expressed what was in my mind. So I will withdraw it.

Mr. President (The Honourable Sir Abdur Rahim). That is not the apology the Chair is prepared to receive.

Maulvi Abdur Rasheed Chaudhury: I am not prepared to offer any kind of apology.

Mr. President (The Honourable Sir Abdur Rahim). Then the Chair must ask the Honourable Member to withdraw from the House for the rest of the day.

(Maulvi Abdur Rasheed Chaudhury then withdrew.)

The Assembly then adjourned for Lunch till a Quarter to Three of the Clock.

The Assembly re-assembled after Lunch at a Quarter to Three of the Clock, Mr Deputy President (Mr Akhil Chandra Datta) in the Chair.

THE INDIAN FINANCE BILL—*contd*

Nawabzada Muhammad Liaqat Ali Khan (Rohilkund and Kumaon Divisions—Muhammadan Rural): Mr Deputy President, I have been in this House for a short time and I have not acquired that versatility which

some of the Honourable Members seem to have of dealing with every subject under the sun, and dealing with it with seeming authority and expert knowledge. I shall, therefore, confine myself to the political and constitutional situation in the country, and I shall try to explain, as briefly as possible, the position of the Muslim League regarding this matter. Mr Deputy President, when my friend, Sir Muhammad Yamin Khan, towards the end of his speech, stated that the Muslim League Party had decided to oppose the motion for consideration of the Finance Bill, the Honourable the Leader of the House interjected "Will your opposition be successful?"

* **The Honourable Sir Muhammad Zafrullah Khan** (Leader of the House) No, Sir, I did not

Mr. M. A. Jinnah: What did the Honourable Member say?

Nawabzada Muhammad Liaqat Ali Khan: I am sorry, Sir, I seem to recollect that, but anyhow as the Honourable the Leader of the House says that he did nothing of the kind

The Honourable Sir Muhammad Zafrullah Khan: I have not said I did nothing of the kind. I did not interject what the Honourable Member has attributed to me

An Honourable Member: But the Honourable Member did say something?

The Honourable Sir Muhammad Zafrullah Khan: Yes, I did say something

Nawabzada Muhammad Liaqat Ali Khan: I do not know what the Honourable the Leader of the House said, but what we heard was what I have stated

The Honourable Sir Muhammad Zafrullah Khan: Sir, the Honourable Member cannot say that he heard me say something that I did not say unless his hearing is at fault

Nawabzada Muhammad Liaqat Ali Khan: Anyhow, as far as hearing goes, it seems to me that it is not only my hearing, but the hearing of the whole House, which is faulty

The Honourable Sir Muhammad Zafrullah Khan: No, no I may briefly explain what I said. I put merely a question to the Honourable Member—do you desire your opposition to be successful?

Nawabzada Muhammad Liaqat Ali Khan: If that is so, let me tell him that we do desire that our opposition should be successful

The Honourable Sir Muhammad Zafrullah Khan: I believe the Honourable Member to whom I put that question said "No"

Nawabzada Muhammad Liaqat Ali Khan: I do not know what the Honourable Member said as he is not here to defend himself, but anyhow

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let me tell my Honourable friend that the Muslim League Party in this House does desire that the opposition should be successful.

Mr Deputy President, we know the hybrid Constitution under which we are working. We know that the majority party, the opposition party in this House, having decided to withdraw from the battlefield of constitutionalism, the Honourable the Leader of the House, with his nominated official and non-official votes, who act as automata, and with the ready and obliging support of the European Group which, I am sorry to say, is always at the disposal of the Government

Mr. T. Chapman-Mortimer (Bengal European) Quite incorrect!

Nawabzada Muhammad Liaqat Ali Khan: can flout the 3 P.M. opinion of this House, and even if the House succeeded in carrying the motion for opposition to the consideration of the Bill, I am not unaware of the storehouse of special powers of certification on which the Honourable the Leader of the House and the Honourable the Finance Member can draw. We know that this House, this Indian Parliament, compared to other Parliaments of free countries, is only in the nature of a toy parliament, but even if you play with toy soldiers, you must follow the rules of the game. It is a well recognised practice in every free Parliament that if the peoples' representatives have any grievances against the Government of the day, they are entitled to tell that Government—no supplies without the redress of grievances—and the opposition of the Muslim League Party is in accordance with that well established practice.

Sir, there seems to be a good deal of confusion regarding the position of the Muslim League in connection with the so-called political deadlock I have heard it stated on the floor of this House,—I have read it related outside,—that the responsibility for the political deadlock is to be apportioned between the Congress and the Muslim League, and it seems to me that if you go on repeating something long enough, even if it is absolutely wrong, the people who are mentally lazy begin to believe in that. I would try to point out that the responsibility for the so-called deadlock does not lie on the shoulders of the Muslim League. It lies on the shoulders of the Congress and of the British Government. Sir, from the very beginning, since the declaration of the war, the Muslim League has repeatedly made its position clear. It has not confused the question of the future constitutional development with the question of the present constitutional advancement. All that the Muslim League said was that as far as the future is concerned, and all that we ask the British Government today, is that at an opportune time, as soon as possible after the war, or as soon as it is convenient to do so, the British Government should revise the Government of India Act of 1935 *de novo* in the light of the experience that may be gained by the working of that Act, and, secondly, that no Constitution should be forced down the throats of ninety millions of Mussalmans without their approval and consent. Now, I ask you, Mr Deputy President, can any farsighted person say that it is an impossible position that the Muslim League has taken up? Some of my friends in this House and outside have stated that this means that the minority is asking for the right of veto. When they talk of minorities so glibly, they seem to forget that the Muslims in the whole of India may be numerically less, but they are

'not a minority in the accepted sense of the term. They are a people, ninety millions strong, they are in a majority in certain parts of India, and, therefore, when you talk of them as a minority, I think it is a complete travesty of facts. I am sorry that those of our countrymen who talk of our demanding a veto do not appreciate the position, and yet a person living thousands of miles away from India is able to understand what the Muslim League demands. I refer to the statement that Mr Amery, the Secretary of State for India, made in this connection in the House of Commons in August last. I shall in a moment read out a portion of that statement so that Honourable Members' memory may be refreshed, but before I do that, let me tell you that it is inconceivable that you can work any Constitution in this country if either the Mussalmans or the Hindus are opposed to it. It is impossible, and anybody who seems to think that a Constitution can be thrust down the throats of Mussalmans without their consent and approval—let me tell you, that he is living in a paradise of his own.

What did Mr Amery say on this particular question? It is so clear that I do not think that any one could have put it better. He stated

"His Majesty's Government have made it clear that they could not contemplate the transfer of their present responsibilities for the peace and welfare of India to any system of government whose authority is directly denied by large and powerful elements in India's national life."

I think in these few words Mr Amery has understood the situation in India very clearly, and yet my countrymen who are in closer touch with the affairs in India go on talking of the power of veto by the Mussalmans. Now, Sir, what did Mr Amery say about this power of veto? He says

"To describe the need for such agreement as a veto on constitutional progress is, I think, to do an injustice to the patriotism and sense of responsibility of those concerned."

When my friends talk of the Muslim League asking for a power of veto, they seem to be under the impression that this country is their private property. Let me tell them that India is as much mine as it is any one else's living in this country, and I am as much interested in the welfare of this country as any one else. It is because of that that I say that for the sake of peace, for the sake of prosperity of India, you should not endeavour to thrust a Constitution on an unwilling people. If we really wanted to obstruct in the war effort, if we really wanted to take advantage of the misfortune in which Great Britain is involved, we could have easily said like the other parties, 'You give us Pakistan here and now, and unless you promise that, we will not help you a bit.' We have done nothing of the kind. I shall, Mr Deputy President, deal with this question of the Lahore Resolution, which is popularly called Pakistan, at a later stage. But what I am trying to show now is to tell this Honourable House that the position that Muslim League has adopted cannot, by any stretch of imagination, be described as one of bargaining or taking advantage of a person who is in trouble and who is in an unfortunate situation.

As regards the present, what do we say? We say that it is not possible to create that enthusiasm amongst the people of India which is desired by everybody, it is not possible to make the people of India believe that this war is their own, unless you have Indian representatives, representatives of political parties, inside the Central Government, and in the provinces which are being administered at present under section 98 of the Government of India Act. In this connection, let me tell you what the

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Working Committee of the Muslim League has stated on the 16th of June last year

"The Working Committee looks with alarm at the growing menace of Nazi aggression which has been most ruthlessly depriving one nation after another of its liberty and freedom and regards the unprovoked attack by the Italian Government against the Allies as most unwarranted and immoral at a time when France was engaged in a brave struggle against very heavy odds. The grave world situation demands serious efforts on the part of every Indian for the defence of his country and the Working Committee calls upon the Government of India to prepare the country in an organised manner to meet every eventuality. The Committee is constrained to state that the proposals for the defence of India indicated in the statements of Their Excellencies the Viceroy and the Commander-in-Chief as well as the statements of some provincial Governors are wholly inadequate to meet the urgent requirements of the situation."

Now, this portion refers to the War Committees that were announced at that time and were to be formed in the various provinces

"The Committee therefore authorises its President to enter into communication with His Excellency the Viceroy with a view to explore the possibility of devising prompt and effective measures to mobilise the country's resources for the purpose of intensifying war efforts and the defence of India. The Committee is of the view that, unless a satisfactory basis for close co-operation is agreed upon on an all-India basis and not provincewise, between the Government and the Muslim League and such other parties as are willing to undertake the responsibility for the defence of the country in the face of imminent danger, the real purpose and objective will not be served and achieved."

I do not think that any party could have made its position clearer than what the Muslim League did. It realises the importance of fighting this war successfully. But let me tell you quite frankly that it does not trust the judgment of the British Government completely. When it asks for associating representatives of the Muslim League and such other parties as are willing to work in this common cause, it does so because it wants that the people of the country should have complete confidence in the Government which is, in the main, responsible for war efforts.

Now, when we stated at that time that these War Committees were really puffing things and it was not really a serious effort to associate Indian opinion with the war effort, we were told, "No. Wait and see. This is a great opportunity for Indians to take an effective share in the war effort." On the authority of no less a person than Sir Homi Mody, who has been working on these war committees, I can say that they have failed completely. Sir Homi Mody himself, speaking on this motion which is under consideration, stated that it is necessary to associate Indian opinion more closely with war efforts, and it is exactly the same thing which the Muslim League had stated. Therefore, all that we want is that the British Government, in their own interests and in the interests of India, should recognise that it is impossible to get that support, that full co-operation from the people of India which is most essential at this critical time, unless and until you can make them believe that it is their Government and that can never be unless there are representatives of the various political parties in the Government.

Now, Sir, as against that, let me tell you what the Congress position is. The Congress position is "nothing doing for the present unless you concede here and now what we want regarding the future." The Congress wanted that a declaration should be made immediately that India is a free country from today. It should be declared that India will have a right, not will have a right, but has a right, of framing its own Constitution by means of a Constituent Assembly elected on adult franchise, and

then, later on, the famous Poona Resolution came in. To my mind, that Poona Resolution was not an alternative to these two proposals. It was a device to see that that declaration regarding the freedom of India is given effect to immediately. The Poona Resolution demanded that a national Government should be formed responsible to the Legislative Assembly. Let me tell you that as far as the Mussalmans are concerned, we could not possibly accept any one of these three demands that have been put forward by the Congress, because the acceptance of any one of those demands means prejudging the issue regarding the future Constitution of India. Therefore, the Congress position is that we are not prepared to do anything unless and until you concede our demands here and now, knowing fully well that the Mussalmans and other minorities could not possibly accept them. Now, I ask you this. It does not matter how often the Congress leaders may go on repeating that they do not wish to embarrass the British Government but in actual practice they do want to embarrass you, and not only that, but they want to take advantage of your misfortune. Then, Sir, after that what happens? After having failed in their pleadings, after having failed in cajoling the British Government into accepting the demands of the Congress and letting down the Mussalmans and all other minorities, they decided to start civil disobedience, and the General of this army of Satyagrahis declared, as his war aim, the right of freedom of speech. The satyagraha, according to what the Congress says, has not been started with the object of getting any one of those demands conceded, but the objective of satyagraha, according to them, is to get from the British Government the right of freedom of speech, the right to preach what they like. Let me tell you not in my own words, but in the words of the General of Satyagraha, the Congress wants the right to preach that "you will invite Herr Hitler and Signor Mussolini to take what they want. If those gentlemen desire to occupy your homes, you will vacate them. If they do not give you free passage out, you will allow yourself, man, woman and child, to be slaughtered." This is the freedom of speech that they want, and can any sane person think for a moment that any Government worth the name could allow any party to have such freedom of speech? Even if you gave the Congress this freedom of speech, there are millions and millions in this country who have neither lost courage nor patriotism, nor self-respect and they shall resist and see that this kind of freedom of speech is not practised in this country. The object is not really to gain this privilege of preaching what I have stated just now, but the object of the Congress is to coerce the British Government into accepting those fundamental demands of the Congress, and I have the authority of no less a person than Mr Gandhi when he stated that a settlement during the war between the British and the Congress is not possible as long as the Congress demand is not conceded. Let me tell you, and, through you, let me tell the Government overseas, that if they allow themselves to be coerced into this position of letting down the Mussalmans and other minorities, they shall have established an infamous record for themselves. No nation could ever be guilty of such an infamy as the British would be if they allowed the Congress to have their own way.

Now, Mr Deputy President, this being the position of the Congress, that they are not prepared to look at anything as regards any settlement for the present, how can any one, any fair minded person really accuse us that we are responsible for the deadlock. There is no question of a settlement between the Muslim League and the Congress. In November, 1939, His Excellency the Viceroy invited the leader of the Muslim League and

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the President of the Congress and Mr Gandhi. The Congress stated then and there that these matters regarding any arrangement for the present were subsidiary matters, and as long as the Congress demand regarding a declaration for the independence of India and Constituent Assembly and so on was not met, they were not prepared to look at anything. I ask you, how can any one really blame us that we are standing in the way of there being any change in the present position for associating Indian opinion with the Central Government and in the Provinces?

I have heard it stated, and I think some Honourable Members stated here on the floor of the House that Mr Jinnah, I suppose by Mr Jinnah they mean the Muslim League, does not want any settlement. He is always against any settlement. A more unfounded allegation I have never come across. Mr Jinnah, at the time when the Viceroy had invited these three leaders, stated that he was prepared to consider any proposal and the proposal that was made by the Viceroy, and as recently as November last year, on the floor of this House, Mr. Jinnah, turning round to the Congress stated "Let us have a settlement and put up a united demand". Sir, it is stated that, because of the claim of the Muslim League that it is the only authoritative and representative organization of the Mussalmans there cannot be any settlement. We do not ask any organization to recognize our claim. It is not a question of claim. It is a statement of fact, and no number of denials by anybody or by any party can change facts. The Muslim League today is the only authoritative and representative organization of the Mussalmans. What is the use of people coming and telling me that "You are saying that the Muslim League is the only authoritative and representative organization, therefore how can there be a settlement?" Well, if we are not a representative organization, then what authority, on whose behalf, are we to have a settlement? Sir, some of the Honourable Members here stated that, because we have passed a Resolution at Lahore which is popularly known as the Pakistan Resolution, therefore all the doors for a settlement are closed. Why? Why are they closed? Am I not entitled to put forward any proposal which, in my opinion, will secure peace and prosperity and freedom for this country? Is it only the right of others, and am I only to go there to dot the i's and cross the t's? Do I say today, do I make it a condition precedent that, unless you agree to my proposal, I am not prepared to talk to you? It is an absurd suggestion that is being made by certain persons.

Now, Sir, let me briefly say a few words about my Honourable friend, Sir F E James. He stated—I think I would like to state it in his own words—that "today the policies of the major political parties are aiming, or have already aimed, a vital blow at the settled policy of successive British Governments for the last twenty-five years with regard to India. What is that settled policy? First of all, the achievement of the organic and constitutional unity of India as a whole, and, secondly, the establishment in this country of representative institutions on a democratic basis." I would only like to add here that when he says "has received or is about to receive a severe blow", let me tell him that it has already received a knock-out blow, and it is no longer in the ring of Indian politics! Sir, my Honourable friend, Sir F E James, stated that he has been in the political life of this country for twenty years. He reminded me of a professor at

Aligarh An English gentleman had come out from England to teach at Aligarh, and the first thing in Urdu that he heard was—

*"Khana mez par,
Cha mes par"*

He concluded that "mez par" meant that it was ready, and so, whenever he wanted his carriage to be got ready, he would say, "gharry mez par"—and mind you this, he continued to do after having been at Aligarh for over twenty years. Now, Sir, as regards the democratic parliamentary system of Government, let me tell my Honourable friends that a democratic parliamentary system of Government is only possible in a country which has a homogeneous people and one society. What do you have in India? You have two major communities here, I do not care whether you call them "communities", whether you call them "nationalities" or you call them by any other name,—whose religion is different, whose culture is different, whose social life is different, whose personal laws are different, whose ideals are different, whose whole outlook upon life is different,—and yet some of my Honourable friends still seem to think that the "raising of hands and the counting of heads" is the only right type of Constitution for this country. Sir, I have a very great regard for the religion, for the culture, for the social life of my Hindu friends, just as I expect them to have for mine, but I will just give you an instance. I read it in the papers the other day that in Bombay on the sea shore a swimming bath has been built, and "it is meant for Hindus only". Now, when my friends refuse to swim even in the sea with me how can you ever imagine one unitary form of Government for the whole of India?

Mr. Govind V. Deshmukh (Nagpur Division Non-Muhammadan) Do they refuse to allow you to have a bath in the sea?

Nawabzada Muhammad Liaqat Ali Khan: Sir, let me tell you in all earnestness and with all sincerity, and I appeal to every well-wisher of the country not to consider the Lahore Resolution or the Pakistan Resolution of the All-India Muslim League as a device to destroy the country. We are as much interested in the welfare of India as anyone else, but we, after having had experience of so-called democratic parliamentary systems of Government, have come to the conclusion that that system of Government can never work satisfactorily in this country, that if you want peace, if you want that the Hindus and Mussalmans should in future not be flying at each others' throats, you should give them equal opportunities to develop themselves according to their own ideals and according to their own culture, and that can only be if both of them have the freedom and have the power to develop themselves in accordance with their own ideals and their whole system of social life. I appeal to my Hindu friends,—do not think for a moment that the Mussalmans are the enemies of the country. I want them to look at this problem with an open mind. Look at this problem with this idea that here is a proposition, here is a proposal which we have put forward which, according to us, will secure the freedom for India at the earliest possible moment and which will establish peace and prosperity in the country. Look at it from that point of view. Sir, I have met a number of my Hindu friends who have been opposed to this Resolution, and have come to me to discuss Pakistan. They said, "We want to understand". I said, "But you are opposed to it without understanding." They said, "Yes, but you see, Pakistan, Pakistan, no, no, anyhow you explain to us"—and let me tell you, I have met very responsible

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Hindu gentlemen, and after we had discussed it in a friendly manner as between two men we came to the conclusion that this was really a proposal which should be considered with an open mind and an open heart Sir, the same appeal I make to all my Hindu friends in the country—do not think that, merely by your saying that you are opposed to it, you will succeed in making the Mussalmans give up Pakistan The only sensible thing is—consider this proposal in the spirit in which it has been put forward before the country; and I have no doubt and I feel convinced that those who are opposed to it today will be in support of it tomorrow Sir, in this connection, let me tell my Honourable friend, Sir Frederick James, and other Europeans in this country and in England, that as long as you keep on dangling this carrot—viz., unitary form of Government for the whole of India and democratic parliamentary system of government,—before some people, you make it impossible for the Hindus and the Mussalmans to come to a settlement and for the country to have peaceful evolution My countrymen, the Hindus, think that this is the best thing that would give them domination over the whole of the country, and as long as they go on deriving some support and some hope from you, they will never look at any proposition, however reasonable it may be and in whatever spirit it may be put before them Therefore, my appeal to my British friends is Let us recognise the realities of the situation I dare-say that you did believe in all honesty and in all sincerity that what was good for your country would be equally good for India But it is possible for a person to be mistaken Do not think that you can never make a mistake The experience has shown that what is good for your country can never prosper in this country

Now, Sir, I would like to say a few words about the so-called expansion of the Viceroy's Council My Honourable friend, Sir Frederick James, when speaking on this motion, stated that the Poona Resolution was no good, the Resolution passed by the Conference held at Bombay recently was not of much assistance But he did not tell us what his proposal was I think in a way, although he did not say so openly, he did hint that the Viceroy's offer really held the field and that was the only possible solution I hope I am interpreting him correctly

Sir F. E. James (Madras European) May I just make that perfectly clear? My argument was that in the event of the two other propositions failing, the only remaining and possible practical proposition before the country was the Viceroy's offer

Nawabzada Muhammad Liaqat Ali Khan: Sir, I wish my Honourable friend had told us what his proposal was In his speech he might have made some possible suggestions as to what, in his opinion, would be the best solution But as he has not done so, I take it that his solution is at the present moment the Viceroy's offer Sir, let me tell him and my other British friends here that we have every sympathy with those Britishers who are undergoing those terrible trials that were referred to by Sir Frederick James in his speech If we are unable to accept the Viceroy's offer in its present form, it is not that we have no sympathy and we have no pity for the people of England who are putting up such a brave fight against very heavy odds and Nazi aggression Therefore, I do

want this to be confused that in spite of the people of Great Britain suffering such terrible losses, we are still thinking in terms of the Viceroy's offer and its acceptance or not. At the very beginning of my speech, I stated that the Muslim League had demanded that something should be done which will give real authority and substantial power to the representatives of the Muslim League and such other Parties as were prepared to come in in the Government at the Centre as well as in the Provinces and I stated the reasons for doing that. Now, Sir, let me examine the Viceroy's offer. As far as the principle of that offer goes, I have no quarrel with it. As a matter of fact, the principle of that offer is exactly what the Muslim League had been demanding since the beginning of the war. But when you come to giving effect to that principle, the whole thing is nullified. What was the offer that was made to the Muslim League? It is on record, and it is not a secret. The offer made to the Muslim League was "We will give you two seats in the Executive Council". That is all. As far as the total strength of the Council is concerned, the reply was, "I am sorry I cannot tell you". As far as the portfolios are concerned, "it is within my discretion". As far as the question of any other Party coming in at a later stage is concerned,—the Party that is stabbing you now in the back—and as to what would happen to the Muslim League in that event, "I am unable to give you any assurance on that point". Now, I ask you, Mr. Deputy President, could any decent Party or self-respecting man accept such an offer? It is not really giving any real power and real authority to the Mussalmans and those others who may be willing to come in in the Government at the Centre. It is trifling with the whole thing. It is only plying with the 90 millions of Mussalmans. Let me tell you that the days are gone when people could be treated like children or could be fooled. The Secretary of State stated in his statement that whether the Congress came in or whether they did not, His Excellency the Viceroy will go on with his proposal of the expansion of the Executive Council. Why does he not go on with the expansion of his Executive Council? I see my Honourable friend, Mr. Chapman-Mortimer, pointing towards the Muslim League. I have just stated—perhaps my friend was not very attentive—that no decent Party could accept the offer in its present form. We have never said "No". How could we? Our demand from the very beginning has been that this is the least that we want the British Government to do. We do not want them to change the Constitution; we do not want them to frame any new Constitution at this critical moment. We know that there are other and larger issues in which the British Government are involved. But there can be only two reasons for the British Government in not going on with their proposal. One is that, either you really do not mean to part with power, or that you are still frightened of the Congress and you are afraid to do anything which might displease that mighty organisation. There is an impression gaining ground in this country that the British policy is to placate those who are out to stab them and to let down those who are out to befriend them. They want to co-operate with those who do not want to co-operate with them, and they do not want the hand of friendship of those who are ready and willing to extend it to them. Let me tell you that if this impression gets hold of the imagination of the people, then you will not have a single friend left in this country.

Mr. Deputy President, some Honourable Members suggested, leave the Congress alone, leave the Muslim League alone, leave any other party

[Nawabzada Muhammed Liaqat Ali Khan.]

alone, but go on with the expansion of the Executive Council I do not know what benefit it would be either to the people of this country or how it would help in the war efforts if some of the political orphans were seated over there. If you are not able to get any organized people, then don't you think you should ponder and consider over this matter? There must be "something rotten in the State of Denmark" unless you believe that the whole 400 millions of people of India have gone mad and they are not really worth bothering about. The suggestion was made by my Honourable friend, Sir Frederic James, and I saw in the papers yesterday morning that the princely order is also of the same view, that the Government should go on with the appointment of a War Advisory Council, and have on that Council representatives of the Princes and of the Provincial Governments. To my mind, Sir, like the War Committees, this is another flank movement. If you have the courage, why not make a frontal attack? Let me tell you that by this device, you will not succeed in either befooling Indians or getting that support which India is ready and willing to give you, but which you are not prepared to accept.

Mr Deputy President, I have given the reasons as to why the Muslims in this country feel slighted by the treatment of the British Government. To the Government, it seems, the only party all-in-all is the Congress. If you cannot get them to come with you,—and I have shown that you will never get them to come with you,—then you do not think it is worth while to bother about other nationalities and other parties in India. This is really slighting the 90 millions of Muslims and playing with them. We do not know how you administer the departments of the Government. We do not know what money is actually required for the defence of India and for fighting this war successfully. We have no share in the power and authority of the Government, and yet you come to us and say, vote so much money blindly and trust to our judgment, and we will see to it and do what we think fit. Sir, let me tell the Government that we, the members of the Muslim League Party, are not prepared to follow blindly like that. When the history of the British rule in India comes to be written, the period since the beginning of the war will be a period of suspension, and not of action. Let me tell you that in your own interest, and for God's sake in the interest of humanity, do not appear as if you are paralysed and do not allow your judgment to be suspended. Get on with the job. Take the hand of friendship of those who are willing and ready to march forward with you, side by side, as equal partners in a common cause, but not as your camp followers.

Mr M. S. Aney: Sir, the debate has taken six long days and now we are coming to the end of it. My Honourable friend, who just preceded me, introduced his speech with the observation that there are Honourable Members in this House who have to their credit a status of long standing in the House. They have also considerable versatility and they are therefore, in a position to bring under discussion every subject under the sun. That is not my general habit, at any rate. I am not one of those versatile persons who can and want to touch anything that can be easily laid hands on. But anyhow, this time I find that besides one or two important points on which I want to make certain statement in this House, there are certain minor points to which I should make a passing reference before I deal with those important questions.

Sir, I wish to make a reference to the fact that the Honourable the Home Member appointed a committee of three experts of Hindu Law. I am glad he has appointed this Committee and referred two Bills to that Committee, relating to the rights of women for further investigation and report. This is a Committee which is presided over by a learned Judge of the High Court, and I am sure that the necessary enquiries will be made and a report will be received which will give the Honourable Member and the Government of India a basis to frame their legislative proposals on. My main reason for introducing this topic is this. There is no doubt that, in appointing this Committee, the Government have done the right thing. But there was already one Committee appointed with regard to one of the two Bills in question in pursuance of a suggestion by the then Leader of the House, Sir Nripendra Sircar. I think when the Bill relating to Hindu Women's Right of Maintenance and Residence was referred to this Committee, it was a matter of courtesy which the Home Department should have observed that the Members who had before agreed to work on the Committee first appointed should have been told that the old Committee stood dissolved. That little act of courtesy still remains undone. Therefore, I have brought this matter particularly to the notice of the Government now. I am glad that a new Committee consisting of very able and competent lawyers is appointed. But, in view of the fact that certain gentlemen who were asked to serve on the previous Committee without any remuneration, agreed to work without remuneration, it was necessary to inform those Members on the appointment of the new Committee that the old Committee on which their services were requisitioned stands dissolved and their services were no longer required. This is a little matter to which I wish to draw the attention of the Honourable the Home Member.

Then, Sir, after that, I have to thank the Government of India for having made some small provision by way of donation to the Indian Women's University at Poona. It is a very important thing that the cause of the higher education of Indian women is helped by the Government. I have been specially asked by Lady Thackersay to convey thanks to the Government of India for that, and I am doing that pleasant duty on behalf of the authorities of the Nathubai Thackersay Indian Women's University.

Then, Sir, I want to deal with another question which has been considerably agitated for some time in this House. Honourable Members of this House know that a string of questions has been asked with regard to the Archaeological Department and replies have been given by the Education Secretary to the questions asked here. I think the Secretary is sufficiently strong to defend the Department, but I want to remove some misunderstanding which this string of questions, though perhaps not aimed at creating, is likely to create. The attempt seems to be to make out that the Department is under the charge of an incompetent officer. In fact, this morning one of the speakers behind me made that particular point. I think there are persons who in my opinion are better qualified to say whether the present incumbent of the office is or is not fit to hold the office which he does at present. Probably my Honourable friend will concede that Mr Yazdani, the Director of Archaeology of the Government of His Exalted Highness the Nizam, is one of the few persons who has a reputation as an expert archaeologist in this country, and his opinion in a matter of this kind ought to carry at least a certain weight with Honourable Members of this House and those who are concerned in this matter.

[Mr M S Aney]

I should like to read one or two passages from the speech which Mr. Yazdani delivered as President of the Indian History Congress at Lahore when the fourth session of the Congress was held in 1940. It was after the publication of the report of Sir Leonard Woolley to which also a frequent reference is made by those who attack this Department. Speaking of the general achievements of Indian archaeologists, and speaking of them in terms of praise, Mr. Yazdani goes on to say in regard to the present incumbent of the office of the Director General as follows:

"I should also mention the name of the present Director General of Archaeology, Mr. Dikshit whose excavation work at Mahenjo-Daro, Paharpur and other places is of the highest quality and stands above any criticism based on petty jealousies. Further, his encyclopedic knowledge and close intimacy with every phase of Indian archaeology make him eminently fit to hold his responsible office and to discharge its multifarious duties with efficiency and distinction."

My friend, Sir Ziauddin Ahmad, observed yesterday and particularly called upon the Education Secretary to keep always on his table a copy of the report of Sir Leonard Woolley and also the list of questions that are put in this House and use the same as a guide to him in dealing with this department, and in considering the reforms the critics may have in mind to improve it. I would, therefore, like to bring to the notice of this House certain observations made in his speech by Mr. Yazdani in regard to the report of Sir Leonard Woolley because he is in a better position to judge of the utility of the report as well as the correctness of the conclusions drawn by him than any layman who knows very little or next to nothing about archaeology and the scientific work done under its direction.

Sir Syed Raza Ali: Sir, may I just point out, if my Honourable friend will allow me

Mr. M. S. Aney: I would have been very glad to be interrupted and allow my friend to have his say, but I must make room under the arrangement for my Honourable friend, the Finance Member, to come in at 4.30 p.m. That is my difficulty, otherwise, I would not deny this little courtesy to my Honourable friend, Sir Syed Raza Ali.

Sir Syed Raza Ali: The point was about his anti-Muslim policy, and not about his competence. I challenge his whole mentality which is anti-Muslim.

Mr. M. S. Aney: My Honourable friend has made his allegations, they are there, and the Department will investigate them. I only want to remove a certain misunderstanding and impression which the string of questions have created. The stick with which an attempt was made to beat him was the report of Sir Leonard Woolley. So I want to show what Indian archaeologists have to say upon that report, and in what light they look upon the report itself. I am not entering into the communal matter at all, I am dealing with it from a different point of view. He approached the Indian archaeological problem from a wrong point of view, that is the criticism of Mr. Yazdani on the report of Sir Leonard Woolley.

"Looked at in this way the difference between the work carried out from a national point of view in one's own country and the work carried out in foreign countries for the equipment of museums for purposes of scientific study is very marked, and

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-apparently this difference was not fully taken into consideration when the Government of India selected Sir Leonard Woolley to advise them in regard to the future exploration and excavation work of this country. Sir Leonard Woolley is undoubtedly an expert of international reputation and he has done multifarious work at Ur and other places, but his training and his entire experience are that of a Museum-worker. This was principally the reason why during his visit to India he first failed to appreciate the talent and outlook of the officers of the Archaeological Survey, and secondly in his observations he did not take into consideration that India had developed national consciousness to the full, and her historical monuments and other antiquities are to be dealt with as heirlooms and not movable relics to be distributed to various museums for purposes of scientific study. These remarks, however ungenerous they may appear, are based on a close study of the Report which Sir Leonard Woolley has submitted to the Government of India."

- That is the value which Indian archaeologists attach to his report I will read one more passage and finish with this point After pointing out the various defects of the working of this Archaeological Department, a suggestion is made that an Archaeological Adviser should be appointed by the Government of India To that suggestion of Sir Leonard Woolley, as a patriotic Indian, Mr Yazdani gives a very good reply

"It is not known what action the Government of India propose to take on Sir Leonard Woolley's Report, but it is apparent that the appointment of an Adviser from outside, particularly in view of the rapidly growing political consciousness of the country, will not much help in bringing about the required reforms either in the standard of the efficiency of the officers or in the quality of the archaeological work."

I have only touched on this point to show that the report of Sir Leonard Woolley should not be considered as the last word on the subject Whatever defects there may be in the Department, they should take steps to correct them, but I do not want the impression to go about that an incompetent officer is at the helm of it A scientist and a scholar of considerable reputation is there and I venture to say that he is one of whose achievements in the field of archaeology we Indians ought to feel legitimately proud The report of Sir Leonard Woolley is not one which is not at all regarded by Indian archaeologists as a dispassionate document What the object of the Government of India was in bringing an expert like him to make an investigation, one does not know that is for the Government of India to say, but I can say this much that his report is certainly not above reproach

Then, a few words about the Census Many people have said many things about it—I have no time to go over it all, but in two sentences I want to sum up my observations about it I do not wish to say anything about the manner in which the census operations were carried on, because that point has been criticised by my friends Dr Banerjee and Sardar Sant Singh sitting behind me, from the points of view of the Hindus The Hindus have many complaints to make against the census operation in the Punjab, and I received telegrams from respected and revered men like Raja Narendra Nath and others to the effect that innumerable mistakes have been committed; deliberate omissions have been made, and so on It means that in certain provinces, as a consequence of communal bias of the enumerator, a good deal of confusion and inaccuracy has crept in into the work of enumeration and that the census record has become unreliable It looks like that When I and Bhai Parma Nand first met the Honourable the Home Member and discussed this question, we suggested from our own point of view certain remedies Certain suggestions

[Mr M S Aney]

were accepted by him, and certain others he did not think it worth while to accept Anyhow, the position is there, and I only invite the attention of the Honourable the Home Member only to two important points There is evidence with me to show that in so far as the work of enumeration of the aboriginal tribes of Assam and Bengal and Bihar are concerned, the tea planters there have used their influence to see that the members of what they consider to be aboriginal tribes will not give out their religion as Hindu. In spite of specific instructions issued by the Central Office, a circular was issued by one responsible member of the Tea Planters Association—I do not know whether he is the President or the Secretary—I fancy his name is Mr Webb—to the effect that enumerators, who are more or less servants in the tea gardens there, should see that none of these persons show themselves as Hindus, because this is likely to give weightage to the Hindus, which would be detrimental to the interests of the country That is what he wrote .

Pandit Lakshmi Kanta Maitra (Presidency Division Non-Muslims in Rural) They have been our trustees all along

Mr. M. S. Aney: An attempt like this has been made to defeat or even to flout the instructions The second thing I wish to bring to his attention is that the Adi-Dharmis in the Punjab have been treated as part of the Scheduled Castes; and in giving representation to the Scheduled Castes, in accordance with the Poona Pact, which is taken out of the number allotted for Hindu representation, they have been taken into account and they got their representation on the Provincial Legislature It is, therefore, fair that in the tabulation the Adi Basis or Adi Dharmis also should be shown as Hindus and they should be counted along with them On that point a good deal of correspondence has taken place between certain persons from the Punjab and the Central Census Office I believe the office is in possession of that literature My point is this—the Punjab Government and the Superintendent of the Census there say, we shall not count them as Hindus—he has already given a reply to that effect It would be grossly unfair to the Hindus that they should give some of their representation to them as members of the scheduled classes belonging to the Hindu community, and yet in the enumeration of the Hindu population they should find no place at all It is anomalous and unfair and inequitable I think, the Census Department should take immediate notice of this piece of injustice, and it should not be allowed to prejudice the Hindus when the tabulation of census figures of the Punjab population is to be made.

I have dealt only with these two or three minor points to which I thought I should make a reference, there were others which I now deliberately omit for want of time I now proceed to deal with what I regard as the principal aspects of the present situation My Honourable friend, Nawab Liaqat Ali Khan, the General Secretary of the Muslim League, has on behalf of that League made a very lucid statement explaining the position of the Muslim League as regards the present situation and the stand it has taken in this matter Now, Sir, one thing is certain that the present situation in this country is one with which all parties are completely dissatisfied About that there is no doubt whatso-

ever The Government is involved in a war It certainly stands in need of the co-operation of the people If the sense of this House is taken, there is, I believe, general agreement amongst the Members of this House that this war has to be fought and won So far as that goes, there is general agreement But the main point is this what efforts will be sufficient to secure that co-operation of the people without which it will be difficult for the Government to carry on this war and fight it with the vigour and strength that is needed The situation today, as we see it, is, in my opinion, very precarious We find that countries after countries in Europe have succumbed to the onslaught of the German armies, and we do not know what the situation will be in the near future in Yugoslavia or Turkey or other countries even These are days of intense anxiety, and on the decisions of some of these countries will largely depend the course of the war operations in the near future I go further and say that, upon the decisions that may be taken by certain countries in the near future, the fate of India will also largely depend Therefore, there is the greater need, in my opinion, for the Government of India to see that their war efforts are receiving the greatest possible active co-operation of the people of India If the proposition is visualised in this way, Government also should find no difficulty in understanding as to what is the proper way to get that greatest possible co-operation As my Honourable friend, Nawab Liaqat Ali Khan, has just mentioned, in order that the people should make the maximum effort and give their maximum co-operation to the Government of India in the matter of the war effort, it is necessary that the people of India should feel that it is a fight which is being fought by them in their own interest I have never seen that people have anywhere taken the risk of entering into a war and making all the sacrifices which a belligerent nation has to go through simply on the satisfaction that they are fighting a righteous cause Philanthropy has played very little part in inducing nations to take risks of that kind It is self-interest alone—you may call it enlightened self-interest or national self-interest—that can impel a nation to make a national effort of that kind The people of India, therefore, want to see that it is a battle that is being fought by the people of India in the interests of the people of India themselves That is a position that the Government have to create, and unless they succeed in creating that position, their war effort will always be of a limited nature I have particularly drawn the attention of the Government of India to the point that the war situation today is one to cause serious anxiety Suppose Germany succeeds in becoming the master of the Suez Canal and Japan succeeds in becoming the master of Singapore, India will have to defend herself, and very little assistance can India expect from Great Britain in that hour of need May I know, what is the preparation that the Government of India have made or are making to enable the people of India to defend themselves in such a contingency? It is not an altogether imaginary contingency In order that the country may be in a position to defend herself, you will have to take suitable measures to prepare the whole nation to defend the country This is not a fight between one army and another; this is a fight between one nation against another The nation has to take the risk and husband its entire resources in order to win the war, and, therefore, it is necessary that the Government of India should do something in order to create a conviction among the people of this country that this war is being fought, not for the sake of establishing democracies here and there, but for securing to the people of India their legitimate right to be the masters of this country, if not now, at least at the end of the war That is one thing

[Mr M S Aney]

Then, as another friend of mine suggested, suppose a statement to that effect is made. There is the statement made by Mr Amery the other day, the purport of his remarks can be construed to mean, that the British nation would not be vindicating her war-aims unless she is in a position to secure to Indian people their legitimate right to be the master of their own country. Some statement to this effect has been made by him, but still that is all vague. A clear and definite statement has to be made that, at the end of this war, India shall be in the same position as any other self-governing Dominion of the British Commonwealth including the Dominions of Canada and South Africa or Australia shall be at that time. A clear statement of that kind indicating, if possible, even a time limit will be very helpful. My friend, Mr Jinnah, may not agree with me, because he and the Muslim League have got different ideas about it, but such a statement will, in my opinion, go along way to create and establish the *bona fides* of the British Government, that they will not hold on to India after the war after the people of this country have been called upon to make the supreme sacrifice—that stigma of slavery would not remain there.

Mr. M. A. Jinnah: We shall doubt the *bona fides* of the Government if they made such a declaration

Mr M. S. Aney That is quite true

Then comes the next point, and it is this, that in order that a declaration like that must inspire confidence among the people, what should the Government do? They have to do something immediately in order to inspire confidence in any announcement they might make. I shall not call upon the Government of India to do anything to modify the Government of India Act, but is there nothing which they can do without modifying that Act, as a gesture to indicate that they are in earnest, they mean business, and they are going to act upon it? I believe the suggestion made by the Conference which recently met at Bombay deserves to be considered from this point of view. It may be, there are people who have taken objection to the people who organized the meeting and who met at the Conference on various grounds, some asked—who are they? Can they deliver the goods? These are slogans and phrases which we have all heard so often. I do not know what is meant by delivering the goods,—has any one of us goods to deliver at all?

Mr. M. A. Jinnah: Delivery of goods means votes

Mr. M. S. Aney: Now, so far as the war is concerned, it is claimed by the Government of India that India and Indians have made a splendid response although one party, viz., the Muslim League has remained neutral and another party, the Congress, is sending its members to jail. If, under such circumstances, the Government say that India is behind the war efforts, then why is it that a party of public men which is outside these two groups should not be in a position to do something to add to the war efforts already made? That is the question which one has to answer from a national point of view. After all, it is not true that those who are most vocal are the only representatives of this country. I, therefore, suggest that, in order that the Government may establish their *bona fides* that they want to grant Swaraj or Dominion form of Government,

or whatever form of Government it may be, after the end of the present war, they must make a beginning now, a beginning which will appeal to the people that there is going to be real transfer of power. That is the true test. I think my friend, Mr Jinnah, was right when he criticised certain proposals made by His Excellency the Viceroy that, after all is said and done, though he was willing to co-operate on certain conditions, the general apprehension he expressed on the proposal was that it did not seem to him from the nature of those proposals that there was any indication regarding the real transfer of power. Therefore, that was one of the reasons why those proposals failed to evoke the enthusiasm which otherwise they would have or to evoke the response which the Secretary of State or the Government of India had expected. If they want to make any further proposals, they must bear this criticism in mind and frame their proposals accordingly. What I say is, if you do not want to modify the Government of India Act substantially and come out with a long Bill to amend the Act, you can certainly come forward with certain proposals which will convince us that you are prepared to rely upon Indians in their war efforts. I therefore, ask, if you want to trust them in the prosecution of the war, where is the difficulty for you to keep an Indian as a member in charge of defence? That, in my opinion, is the crucial test. If you want to create a kind of Government which shall consist of Indians, then in order to get strong support from the people of this country in the prosecution of this war, you will have to take them into your confidence in the matter of defence. How can you take the people into your confidence unless you place an Indian in charge of defence? That does not necessarily mean that the man in charge of defence will dictate his policy on strategic matters. That will be a matter entirely for His Excellency the Commander-in-Chief to decide and lay down. In strategic matters the Indian Defence Member need not have any voice at all, but there are questions of policy as regards recruitment and defence expenditure as regards the rapid Indianisation of the army, Indianisation of the officer ranks and things like that—these are all matters on which the assistance of the Member in charge of Defence will be of great use. Not only that, but I will go further and say, unless you create a completely Indianised Executive Council, people will not be fully satisfied, and every activity designed to implement the war activities which will be a kind of additional support to the country, activity like industrialising the country, activity relating to militarising the people and things like that, those activities will not take a national form, unless there is a wholly national Government established at the Centre. It may not be responsible to the Legislature, but it must be a Government which shall work jointly, and not merely a Government composed of heads of departments with a label on their heads, "Executive Councillors". There must be joint deliberation, and also an assurance to the effect that, His Excellency the Viceroy, with due regard to his responsibility to the Crown, shall abide by the decisions reached by such a Council after joint deliberation as far as possible, and that important departments such as Finance and Defence will be entrusted to them. If such a step were taken by the Government of India, it will at once appeal to the imagination of the people outside. They will see that there is a genuine change of heart, there is no longer that distrust and suspicion which exists now. Do you think that in the whole of India you will not be able to find 10, 12 or 15 persons,—men of the type of Mr Jinnah and others,—to take charge of Defence, and on whom you can rely? Where is the difficulty?

[Mr M S Aney]

And if you say that you cannot find even 10, 12 or 15 persons on whom you can rely in this vast continent, why have you been ruling the country for nearly 200 years now?

Then, Sir, so far as the suggestions made by the Bombay Conference are concerned, they are, in my opinion, of a practical nature, and unless some steps in the direction indicated in the Resolutions of the Bombay Conference are taken, unless some effort is made to part with real power, it will be difficult for you to secure that assistance which will be inevitably needed if you are determined to win this war. You have to depend upon America today. It is fortunate that America has decided to give you as much assistance as she can, it is fortunate that you have got a reliable ally in America,—but mind you, this is a war which is being fought in the air, on the high seas, and on the land. You cannot ignore the long distance, the big oceans that separate you and America. The war will have to be fought in the Indian ocean,—it may have been fought in the Mediterranean—we do not know that. In these circumstances, you should be in a position to see that India by herself is made a centre where every possible preparation for war is made. You should be in a position to get as large a number of soldiers as you want. I would rather ask you to introduce conscription, but how can you do that? To introduce a measure of that kind requires the real support of the people behind, and a Government that wants to rule by the sword is not in a position to be bold enough to introduce a measure of conscription at all. If you have to take steps of that kind, you must make them a nation of soldiers, a nation of sepoy's. Then alone you can fight against any threat of invasion coming either from the west or from the east, and that can be successfully repelled by the people of India even though you may not get the necessary assistance from America. With such a big country at your disposal, with its vast resources at your command, it is for you to make an effort to see that all of them are available to you in your hour of need. That requires that you have to do something to appeal to the people. You have to make them believe that this war is being fought, not merely for the sake of helping Great Britain with whom we have been associated for 150 years, but for being free from the control and domination of Great Britain hereafter immediately after the war is over. That sense of freedom enables men to put forth supreme effort. That sense of freedom enables men to venture and to risk. That sense of freedom has worked miracles before, and it will work miracles hereafter. I, therefore, want the Government to bear in mind that they have to do something to inspire in the hearts of young India that confidence,—that this is a battle that is being fought not merely to end war—I do not know whether any war is going to end all wars in the world at all, it is probably going against human nature to suppose that anything done by man is going to end war hereafter. It may not end war but at least it will create a conviction amongst the people that we shall end at least our slavery if we fight in this war. What you have to do immediately by way of an earnest is to create that strong conviction in their mind. Armed with that conviction, the Indian people will certainly stand by you, and you know, Indian soldiers that have been sent abroad have been able to render a good account of themselves, you yourselves have given a graphic description of the heroism and bravery that they have shown in the battles they fought in Africa and other places. Now, with that kind of element which can be had in abundance, why should you not make an attempt to enlist the support of the whole country? If you do not do that, I shall consider

that Great Britain is culpably negligent of her duty towards the people of India. Again, it may be that you rely upon such assistance as you may get from America to fight this war. But if the war comes nearer the gates of India, I always shudder to think what would be the position of Indian people. They are all left armless here. They are a disarmed people, no effort is being made, and a few soldiers, half a million or so men which we have got will be dispersed by you here and there, and the country will go entirely undefended. Is that the position in which you want to leave this country? Do you think that you will have discharged the trust, of which you have been talking so glibly for so many years, when you leave the country in a time difficulty in this helpless position? That is the point that I want you to take into consideration. Here is a moral issue. It is not only the question that you are fighting the cause of democracy, but you have to look at the matter from the further moral point of view. You have been in charge of this country for the last 150 years. All your resources in England and your resources stored in America and which you expect to come, may be available to you, and yet this country may be faced with an invasion from the west or from the east, and then with what are we going to fight? One day the Honourable the Finance Member or somebody else on the Treasury Benches said, "Well, we rely upon, in such a case, the British Navy and the British Air Force", and so on. The British Navy, if it can, will certainly come to our help, I do not deny their *bona fides* for the time being, but if it cannot come, what will be our fate? Shall we simply look up to the heavens and say, "Please protect us and our so-called custodians also"! That is the position in which you want to leave this country. That is the reason why I call upon the Government to see that you do something to carry Mr Jinnah with you, to carry Mahatma Gandhi with you, and if there is insuperable difficulty in getting them, then carry somebody else with you, and I am sure if you carry somebody else with you, they will know how to bring Mr Jinnah and Mahatma Gandhi together. That is the way to bring about a settlement between Mahatma Gandhi and Mr Jinnah. I have no doubt that those whom you will for the time being take to your help will vacate their seats when Mr Jinnah and Mahatma Gandhi come to take their places which are their due.

The position then is this. An attempt should be made, Government should not rely upon these differences and continue in this negative attitude. My grievance against you is this. The Government is continuing, is persisting in their negative attitude, making the difference between Mr Jinnah and Mahatma Gandhi, between the Congress and the League, and other things, as an excuse for doing nothing. The psychology of the people is a matter which the Government of India must seriously consider. My Honourable friend, Mr Griffiths, said something about propaganda. You may carry on any propaganda. If your words are going to create a certain impression among a section of the people outside, that propaganda is not going to make a change. Propaganda can only succeed when there is a receptive mind to hear it, otherwise it does no good. Every day people hear the radios, the B B C broadcasts, but the impression which such broadcasts create depends upon the mood of the man who listens to those broadcasts and statements. I, therefore, warn you, and you should bear in mind that you have to create a proper psychology among the people, and that psychology is this. They must feel that they have the country's battle to fight and they have to win this war in the interests of

[Mr M S Aney]

India herself I am sure, if the necessary step is taken and some effort is made and the Government of India will take note of this

statesmanship of British statesmen I do not agree with my friend, Nawabzada Liaqat Ali Khan, on his Pakistan scheme He says that he has explained his point of view privately to some unknown person and succeeded in converting him I am certain in my conclusion that nothing will be a greater disaster to this country and to the safety of both Hindus and Mussalmans, to the best interests of Hindus and Mussalmans, than to allow the discussion on Pakistan to go on in this country, and that is the reason I have taken up that question, and whenever I get an opportunity I have to say something against one whom I have been always respecting as a model gentleman and a sincere nationalist among the 35 crores of Indians in this country I have respected Mr Jinnah like this for many years But during these three years I have to say something which, from the bottom of my heart, I would not like to say, but the situation is of such a nature that I am compelled to do it But, I leave aside that question for the present as my Honourable friend has given an assurance They all believe in Pakistan, but it is not going to be a live issue now He is not going to ask you "Unless you concede the demand of Pakistan, I am not prepared to co-operate with you" That is not the position which he has taken, and, in my opinion, it is an attitude of which the Government of India ought to take note With this helpful attitude it should not be difficult for us

Mr. M. A. Jinnah: We have never said otherwise

Mr. M. S. Aney: I accept what you say here, but there is an impression abroad that

Nawabzada Muhammad Liaqat Ali Khan: Absolutely wrong impression

Mr. M. S. Aney: Wrong impression,—I am glad to hear that Now that an authoritative assurance has been given, I do not want to give out what my misunderstanding was about the situation

Mr. M. A. Jinnah: Our position has been very clear It is this We divide the problem of India into two parts, present and future As far as the future is concerned, we say that when the time comes to examine the whole constitutional policy of this country, we shall discuss various schemes We believe in Pakistan We stand by it As far as the present is concerned, our position is that we are willing, only for the prosecution of the war successfully, to co-operate with the Government within the framework of the present Constitution Our only quarrel has been that the Government do not take us seriously and have not shown any signs of accepting our co-operation with real and substantial authority in the Government at the Centre and provinces

Mr. M. S. Aney: I hope Government understand now what the policy of the Muslim League is Anyhow, my point is this So far as the setting up of any Government for the transitory period during the time of war is concerned, the ideal of the Muslim League is not going to come in the way As one of the optimistic humble workers of India, I believe,

if my friend and some persons willing to co-operate in war effort and members of the Congress, if we can fortunately get them now, sit together and work together to run the administration in pursuit of a common effort to win the war and prepare the Indian nation, probably the need for the demand of Pakistan, about which he is feeling today so keenly, may also be obviated and the question may not at all arise.

Mr. M. A. Jinnah: or may be accepted

Mr. M. S. Aney: It may be one way or the other I am prepared to take things either way The real beginning to end the dispute is not by keeping them at arms length, but by making an effort to bring them together, entrusting them with the responsible duty of running the Government, trusting them, leaving the Government entirely in their hands and vacating your seats for them

Sir Cowasji Jehangir (Bombay City Non-Moslem Urban) What about non-violence?

Mr. M. S. Aney: I am not a non-violent man here, nor are you, I believe Where I am talking of war effort, I am sure, the Honourable Member realises that he is addressing one who is not a believer in non-violence

Sir Cowasji Jehangir: What about it? How are you going to meet it?

Mr. M. S. Aney: If they believe in it, they will not come, and if they come, they will not believe in it One of the two things you must take.

Mr. M. A. Jinnah: How can you come to any settlement?

Mr. M. S. Aney: I have told you to start with those who can settle, and that settlement will make others fall in line, and that is the way in which things are to be solved

Mr. M. A. Jinnah: I agree with you Start with those who are violent, and then others will become violent afterwards

Mr. M. S. Aney: Those who are violent will join in carrying on this effort and others may later on come and their spirit of patriotism may be aroused and it may prepare them to co-operate in the efforts of violence My argument is that you should move to do something at once, so that it may be of use to you and to the country generally Non-violence of certain section will not come in your way My suggestion only means this It is not by sitting tight in one's own position and indulging in platitudes about differences between Hindus and Moslems that difficulties will be solved They have to be solved by taking some courageous action You have to take courage in both hands Take some risk also If you do that, you will find that India is more reliable, stronger and useful than any ally you can find across the oceans You will have to pay for them, but India will pay for you and win this war With these words, I have to declare that I am unable to support the motion for consideration of the

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Finance Bill, because today, at any rate, I find that there is no authoritative statement that the suggestions which we are making are going to be accepted or even favourably considered by the Government

The Honourable Sir Jeremy Raisman: Sir, I find myself in an extraordinarily difficult position. I have just listened to two very eloquent speakers who made it perfectly clear that no argument that I could adduce about the merits of my Finance Bill will have the slightest effect on their outlook or on their decision.

Here we are at the end of six days' debate which has ranged over a fairly wide field and which has occasionally, indeed quite often, touched on the question of finance, and it is my task to answer the debate and endeavour to get the assent of the House to a motion for a consideration of the Bill and the leaders or representatives of two principal Parties in the House have already assured me that on grounds, which have nothing to do with finance, they have not the slightest intention of accepting this motion. Well, Sir, I feel like a guest who has somehow strayed into the wrong party. I feel like a man who is clad in a coat of mail and has wandered into a fancy dress party where they are playing at animals.

However, nothing deterred, I shall endeavour to deal with a few outstanding points relating to the financial issues raised by the Bill, and so I come down to the humdrum level of discussing in some detail the arguments which have been advanced on the plane of finance. Several Members of this House, and I notice that the line has been widely taken in the Press, have criticised the Budget on the ground that there is no attempt at retrenchment. The word "retrenchment" has frequently been coupled with the word "economy", but I should like to emphasize that there is an important distinction between the two ideas. As I conceive it, retrenchment is a policy which has to be faced up to at times when the level of the nation's economic activity cannot support the full volume, the full overheads of the Government, and it is necessary for the country to make up its mind that it is going to cut down the overheads and that with that cutting down will go a reduction in the scale of the Government's activities. That is the important thing about retrenchment. It is not merely that you reduce the Budget. You cease to do certain things which you were doing before. You cut off branches of the tree. In fact, you lay the axe about you. Now, Prof Banerjea complained that retrenchment committees in the past had done the wrong thing. They had cut off the wrong branches. They had interfered with or reduced nation-building activities. Well, Sir, what does he expect to happen if he were to embark upon retrenchment now? Is it the security activities of the country that he would expect to reduce, or does he not see that if retrenchment were possible now, it must inevitably fasten on those very activities which he is the last man to wish to see reduced? So, the word "retrenchment", in my opinion, is entirely out of place at a time like this, because the problem, at a time like this, is to enable the Government machine to take on more activity if possible. We are continually being asked to control this and control that, to see that this should not happen and that should not happen. In times of what I might call "deflation", in times of recession, we are told usually to leave things alone, to keep our hands off business and to let the horse get its head up, but this is not a time of that kind. Now,

by general consent, the scope of Government's activities is daily being widened and, therefore, the whole conception of retrenchment, that is to say, of lopping off branches of the tree or of reducing whole parts of the machinery is entirely out of place. So what is intended clearly is not retrenchment but economy,—economy in the day to day administration of the functions of Government, and with that I entirely agree. I entirely agree that it is the duty of Government, and, in particular, that it is my duty, to see that the activities which Government must undertake at this time are carried out with the maximum regard for economy. Well, Sir, I have explained on more than one occasion what endeavours we have made to meet this requirement and, in particular, in the sphere of supply, I have explained the machinery which we have set up in our endeavour to secure, concurrently with the execution of the duties of the Department, the securing of the maximum economy, and I was glad to hear from an Honourable Member, who certainly was not putting Government on the back, that he admitted—I am referring to my friend, Mr Husenbhoy Laljee,—that in the matter of the control of the prices at which contracts were being given out, the Finance Department was being efficient in securing economy. I have had several instances of our effectiveness in that field but I will mention one which I do not think I have previously mentioned in this House, and that is that I have had several suggestions from several quarters that the excess profits tax should be placed at a hundred per cent. Now, the interesting thing is that these suggestions have come from more than one firm which were completely engaged in war contracts and that seemed to me an extraordinary thing, and I discovered that these firms felt that they were labouring under the disability that they had their full capacity booked up by Government at prices which—not to put too fine a point on it—would not leave them liable to the excess profits tax. They were, however, very concerned to see that their rivals, that other firms were taking their civil and non-war business and were making handsome profits and they would be in a position to pay the excess profits tax. I merely mention that, because it is literally true, and it is a most extraordinary and interesting phenomenon, but one thing that it does prove is that over a large field the contracts which are being placed by the Supply Department with the assistance of the Finance Department are not such as to leave scope for excess profits.

[At this stage, Mr President (the Honourable Sir Abdur Rahim) resumed the Chair.]

But, my friend, Sir Cowasji Jehangir, asked me another point. I understood that he was satisfied as regards the information which had previously been given in regard to the financial machinery of the Supply Department, a financial machinery which was operating concurrently with the Supply Department—but that he wished to know what the Finance Department had done in order to equip itself to deal with the greater burden of controlling the expenditure over the rest of the field. Well, Sir, apart from the field of supply, the main field of expanded expenditure is defence, and in that field I can give an indication of the expansion which has been necessary in order to secure that the continuous transactions are watched from the financial point of view. The pre-war strength of the Military Finance Department—the figures I have here relate both to military finance and supply finance—but the pre-war strength of the Military Finance Department consisted of 13 officers that is, one Financial Adviser and 12 Deputy and Assistant Financial Advisers. The present numbers are

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forty-one, so there has been an increase of no less than 28 officers or something of the order of two hundred per cent in the higher staff, to whom is allotted the duty of watching the day to day decisions which involve expenditure. In the Military Accounts Department, which is responsible for the initial audit and accounting of all expenditure incurred by the Defence Services and which is responsible and which has to see that the orders of the Finance Department in respect of expenditure and allocations are observed, the position is that the pre-war superior service officers were 59, the Deputy and Assistant Controllers were 86 and there was a subordinate staff of over 3,400, making a total of some 8,600 employed in that Department. The present position is that there are 77 superior service officers, as against 59, 110 as against 86 in the next grade, and 5,400 odd as against 3,400 odd of the subordinate staff, so that there has, therefore, been an increase of some 60 to 70 per cent in the local staff which sees that the orders are carried out. Then, again, there is the organization of the Controller of Supply Accounts. He performs the functions of the preliminary audit and accounts in respect of supply expenditure. There the position is that, as against a pre-war staff in all of some 186, the staff now is 330 in strength. In addition to all this, the Auditor-General has found that his work of audit has been greatly increased, and it is under his orders that the Director of Audit of the Defence Services works, and there also there has been a substantial increase in the number of the staff employed. My object in giving these details, Sir, is to assure my friend, Sir Cowasji Jehangir, that we have not ignored the importance of equipping ourselves to carry out the additional responsibility which is thrown upon us by the greater volume of expenditure and the greater number of places in which such expenditure arises.

I come now to another aspect of the question of economy, which was touched on by the Members of the European Group, by Mr Boyle, and, again, by Sir Frederick James. They made a reference to the expenditure of Provincial Governments and they wished to know what the Central Government was doing in that matter in the way of giving a lead or of discussing certain aspects of our present situation with those Governments. Well, Sir, I will deal first with Mr Boyle's suggestion. He wished to know, I think, whether those Provinces at least which find themselves in a position to do so should not now be asked to undertake a larger measure of certain war activities, such as, air raid precautions or civic guards. Well, Sir, that is a question which has already occurred to me. The position a year ago was that the Niemeyer arrangements had been altered to the disadvantage of the Provinces, as Prof Banerjea pointed out, because it was felt that in war conditions the operation of that Award would be anomalous, that it would continue to place increasing sums at the disposal of the Provinces which would probably not need them for immediate purposes and that it would reduce the revenues of the Centre which would find itself faced with ever-growing requirements. Well, Sir, even the amended Niemeyer Award has so operated to some extent and it has left the Provinces in a position more favourable than they could ever hope to be but for the outbreak of the war, and it is still the case that the Central Government is a good deal worse off and faces a more difficult position than it would have done obviously if war had not broken out. Whilst a year ago and before one could foresee the operation of the amended

Nie never Award, I felt that it was fair to offer to undertake certain liabilities occurring in the Provinces which are not strictly within the orbit of defence but belong rather to the nature of passive preparations such as can be taken by Local Governments or even local authorities—whilst at that time I felt that I ought to make that offer, I now feel that it would be reasonable to approach the Provinces with a request that they should take over a larger share of the cost of these activities and I feel that the response to that suggestion would not be an unreasonable one. Most of the provinces find themselves comparatively well off, some of them find themselves distinctly affluent at the present time.

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban)
And some are in a hopeless condition.

The Honourable Sir Jeremy Raisman: As Prof Banerjea says, some are not as well off as they would like to be. They have had to have recourse to additional taxation, the necessity for which I certainly could wish they had avoided. I believe that an appeal even to those who are in some difficulty would not fall on deaf ears for the reason that all the Provincial Governments do feel that they would like to bear their share in defraying the cost of measures of this kind which obviously must be taken in the interests of the country and in the interests of the provincial populations. This brings me to the aspect which Sir Frederick James was concerned about. He was concerned, I think, that there should be a restriction on non-essential expenditure by the provinces. The suggestion which he has made is not familiar to me in the sense that I have not thought it out in any great detail. I think it is a suggestion which is derived rather from conditions in Britain where obviously the competition by local authorities with His Majesty's Government in carrying out works would lead to increase of prices and inflationary conditions. Now, in India you have not got the same problem. In regard to man power, for instance, there is no reason why the provinces should not continue certain activities or even expand them because those activities would not trench on a limited supply of man power as they would do in Britain. As regards money, I have already said that it would certainly suit the Central Government better if Provincial Governments could refrain from raising additional taxation at this time because obviously the needs of the Centre are such that the capacity of the tax-payer is likely to be heavily drawn upon for Central purposes and any other demands which are made on the same pocket must conflict to some extent with the requirements of the Centre. But the main point is in regard to certain essential materials and this is where, I think, the answer is a satisfactory one. In regard to essential materials, the position is that no authority can go ahead with the consumption of them unless it has been allotted a certain priority. And that machinery ensures that there cannot be wasteful consumption on non-essential objects. That is the position which has to be most carefully watched in this country. It is not a matter of money or of man power so much as a question of certain key materials. I would say that that is really the most effective way of checking an undesirable diversion of effort at this time. I think also that Sir Frederick James had at the back of his mind a feeling that any public works that the provinces might wish to embark upon might more suitably be left for the period after the war when we should face problems of recession. Well, Sir, I think that those Provinces which find themselves in possession of surpluses at this time are

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already conscious of that aspect of the matter. In fact, I know they are and that is why both in Madras and in Bombay which are in the happy position of enjoying large surpluses the money is being put aside into a fund which will be available for financing desirable expenditure at a later stage

Dr. P. N. Banerjea: What about Bengal?

The Honourable Sir Jeremy Raisman: Bengal is apparently not embarrassed with a surplus, and, therefore, cannot compete in public works

Dr. P. N. Banerjea: There additional taxation is being levied

The Honourable Sir Jeremy Raisman: Additional taxation is being levied, that is true, but I cannot help that

Dr. P. N. Banerjea: The Honourable Member ought to give them advice

Sir Cowasji Jehangir: Has the Honourable Member any idea as to why there is a surplus in Bombay?

The Honourable Sir Jeremy Raisman: I am afraid I cannot discuss questions of provincial finance, at any rate, not on the floor of the House

Sir Cowasji Jehangir: Perhaps the Honourable Member will draw the attention of the Bombay Government to the fact that a 10 per cent tax on property is not justified

Sir H. P. Mody (Bombay Millowners' Association Indian Commerce) And let the Honourable Member also point out that our drinking bill has gone up !

The Honourable Sir Jeremy Raisman: Well, Sir, that is all I have to say on the subject of economy in its various aspects

Now, I come to the question of taxation and loans. But before I do that, I would like to deal for a moment with those Honourable Members who have remarked on the size of the defence budget and who seemed to have some doubts as to whether a defence budget of that size was fairly attributable to Indian requirements and whether the scheme of allocation of expenditure between India and His Majesty's Government was being worked with due regard for India. On that point, I have no hesitation in giving my Honourable friend, Sir Abdul Halim Ghuznavi, and those who have raised this question, I have no hesitation in assuring them that the interests of India are being as carefully watched as they were in the first instance when the settlement was made. How then, they appear to ask, can the defence budget have reached such figures? Well, Sir, I would remind them of the kind of criticism which was being made about eight months ago in June and July when the collapse of France took place. At that time, the proposals of the Government of India for the expansion of its armed forces were regarded as insufficient, in fact they were treated almost with contempt in certain quarters. I remember quite well that at

that time an expansion by 100,000 men of the Indian army, the garrison of India, so to speak, was regarded as a miserable addition to the armed forces of India. Nevertheless an expansion of 100,000 men costs something between 15 and 20 crores a year and if we have succeeded in adding strictly on India's own account to the defence expenditure of India more than that sum, it is because we have succeeded in expanding the armed forces of India by a greater extent than was then indicated and because the troops in India are now far more nearly adequate to the kind of task which my Honourable friend, Mr Aney, just indicated they might have to face. I do not know what are the views of Mr Aney on the subject of the scale which defence expenditure should reach in preparing India to meet the contingencies which he visualised. But I do know this, that at the present moment, India, in relation to her defence expenditure, is in an extraordinarily fortunate position because the battles which are to prevent these emergencies from coming to the frontiers of India are being fought outside the frontiers of India, the financial liability of India for the cost of those wars is so limited and so small as to be almost negligible in relation to the cost of modern war. That was the position which resulted from the Chatfield report and from the financial settlement with His Majesty's Government. It is a position which is so favourable to India that I make bold to say that if any other Government were to occupy these Benches, the first thing which it ought to consider is whether the arrangement is consistent with the self-respect of India or whether they should not proceed to make a larger contribution to the cost of fighting the common cause.

Mr. M. A. Jinnah: When is this Government going?

The Honourable Sir Jeremy Raisman: I do not know. But I do know that if and when you come to occupy these Benches, you will have to deal with this question. That is the question with which you would have to deal because I claim that we in dealing with these matters have been almost unduly anxious to ensure that we should not be criticised on the ground of sacrificing the interests of India or of securing for India a settlement which was not as favourable as any reasonable construction of the circumstances could make out. So, the position is that wars go on, that fighting goes on outside India. Fighting is very expensive. It is one thing to raise an army, equip it and keep it in garrison, it is another thing to send that army out to fight battles, where it may lose the whole of its equipment and then have to be re-equipped *ab initio*, it is another thing to make supplies for the army which is supposed to be in one position when it may have to abandon that position and leave the whole of its depot possibly its bases with all the supplies which have been painfully and at great expense conveyed to that particular point. There are losses and very colossal losses connected with the war which India is at present spared and so long as the war does not come to the frontiers of India, she will under the existing settlement with His Majesty's Government continue to be spared those enormous 1

I feel, therefore, Sir, that so far from expressing surprise at the size of India's defence budget, Honourable Members should appreciate the realities of the situation, as I consider that my Honourable friend, Mr Aney, shows he does, and should be surprised at the modesty of these figures. I will say this, that the settlement, such as it is, is being administered in accordance with the spirit and the letter of the arrangement, that it is

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audited by the Auditor General on behalf of not only Indian interests but also on behalf of the Controller and Auditor General of England who is responsible for satisfying the British Parliament, that England also is receiving a fair deal in the operation of this settlement

Before I leave this subject, I should like to give a slight indication of certain figures which it has not been possible to place before the House, but which indicate and which bear on this question of the relative burden of India and England I mentioned in paragraph 20 of my Budget speech which I should like to read now

"I should here point out that the increase of Rs 24.31 crores shown against item (3)

which was India's own defence measures

over our normal defence expenditure by no means reflects the full magnitude India's war effort since it excludes the cost of supplies and services rendered by India to His Majesty's Government which is substantially greater than this amount"

Then, I went on

"I should also mention here that His Majesty's Government besides paying in full for all such supplies and services are providing free of charge much of the equipment needed for the modernisation of the Army in India and for the initial equipment of units now being raised in pursuance of our expansion scheme"

Well, Sir, it has been asked what the extent of this expenditure by His Majesty's Government may be. We are not in a position to give accurate figures and these figures have not been presented in any estimates which have been laid at home. But I am now in a position to give a rough indication of them. As regards the equipment which His Majesty's Government are providing free of charge in connection with the expansion and modernisation of the army in India, we estimate that that is roughly of the order of 40 crores of rupees. And as regards the cost of the supplies and services which India is rendering to His Majesty's Government, that is to say expenditure incurred by His Majesty's Government in India in addition to the expenditure debitable to India, it is of the order in the current year of 48 crores and in the coming year it is already estimated at 91 crores but is expanding. So that it is by no means impossible that the expenditure on supplies and services by His Majesty's Government in the year 1941-42 in India may exceed 100 crores of rupees. I mention these figures in order to put in proper perspective the increase in India's defence expenditure and to dispel the doubts of those who wonder whether the allocation between India and His Majesty's Government is fair and is in India's interest

I shall now deal briefly with the further criticism which has been voiced on the question of taxation *versus* loans. Sir Cowasji Jehangir was of opinion that the whole of the additional cost on defence should be met by borrowing.

Sir Cowasji Jehangir: Not at all times. I said there is no justification for additional taxation just now

The Honourable Sir Jeremy Raisman: Yes, I get that, and he tried to compare our position with that of His Majesty's Government in Britain and to draw the inference, I think, that I was pursuing a more orthodox and drastic policy than was being pursued by the Chancellor of the Exchequer in England. The position may be roughly looked at in the light of

certain bold figures. The total of Indian revenue before the war may be taken to have been of the order of 85 crores, our budget before the war was of the order of 85 crores, and after the revenue which I propose to raise this time has been raised, the revenue will be of the order of 115 crores. So that the position is

Sir Cowasji Jehangir: Sir, may I point out that that is not quite correct? With the additional taxation which he put on six months ago and the addition he now proposes to put on this figure has been arrived at. It is not this year's taxation only but both taxations.

The Honourable Sir Jeremy Raisman: I said our total revenue as compared with pre-war, if these taxation proposals are carried out, will be of the order of 115 crores. In other words, as compared with the standard of 85 crores the taxpayer will be asked to bear a burden of 115 crores, or an additional 30 crores. And that is including all the various forms in which he is laid under contribution, including for instance the railway contribution. Now, in Great Britain one may approximately take the pre-war figure to be of the order of 850 millions. As a matter of fact it was getting nearer a thousand millions because they were already taxing for war. But I exclude the fact that in the last year before the war they were already taxing for a large defence effort and it is fair to take the basic figure as about 850 millions which, as accident will have it, is comparable with our 85 crores. Now what is the position? The present scale of taxation may be estimated as between 1500 and 1700 millions. I take 1500 millions which is usually regarded as a more accurate figure.

Sir Cowasji Jehangir: I gave the actuals

The Honourable Sir Jeremy Raisman: I am giving the broad figure. The position is that the burden on the British taxpayer has gone up from 850 millions by another 650 millions to about 1500 millions. Of course the remainder, a sum of 3000 millions or more is having to be borrowed, and it is on that that my Honourable friend, Sir Cowasji Jehangir, has concentrated. He says, "There they are borrowing 3000 million pounds in a total budget of 4500 million pounds, whereas you in a total budget of 126 crores are only borrowing about 13 crores." I agree entirely with my Honourable friend, Sir Ziauddin Ahmad, that the only possible way to approach a comparison of this kind, the only possible way to apply a criterion is first to ask what is reasonable for the taxpayer to bear today in the way of sacrifice, and when you have decided that, to have resort to borrowing. You should not start off, —and this is my answer to Dr Banerjea too,—with a pre-conceived idea that there is some sanctum *a priori* relation which should be maintained between taxation and loans in all circumstances. There is no such thing.

Dr. P. N. Banerjea: In the present circumstances of India' I said

The Honourable Sir Jeremy Raisman. Just as for the individual at different stages there can be no fixed ratio between the amount which he has to spend on consumption and what he should provide by saving and so on for his old age, so in a case of this kind it is impossible to have an *a priori* fixed proportion between taxation and loans. You have to remember, when laying off burdens for the next generation, that the experience of history is that the next generation always has its own problems to face as well. We must not think that because we are now

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involved in one of the greatest world wars of history we are therefore in an exceptional position I believe that if we cast our mind back over the blood-stained history of man we shall probably find that the type of life we are living now is much more normal than the type of life which was lived by (say) our grandfathers in the last quarter of the 19th century, that the piping times of peace of Victoria's day, steady progress and scientific discovery and so on and the gradual rising of the standard of living—that that is one of the few high spots or purple patches of history, and that on the whole from generation to generation man finds himself involved in the kind of trouble in which we are now Therefore, at any rate it is highly optimistic to assume that our children or grandchildren will not only be able to care for the troubles of their day but will be able to pay for the bad debts which we leave them

Sir Cowasji Jehangir: May I ask the Honourable Member whether we are not carrying on the burdens of 1914-18, even up till now? We are carrying on the burdens of our predecessors and we ask the future generation to do likewise

The Honourable Sir Jeremy Raisman: Is that a reason why we should ask that our burdens should be carried in a similar manner"

Mr. M. S. Aney: The future generation will be Communist and will repudiate all debts

The Honourable Sir Jeremy Raisman: The Honourable Member reminds me of the impassioned orator who said 'Why should we do this for posterity?' What has posterity done for us'

Sir Cowasji Jehangir: It may perhaps sound very amusing to the Honourable Member, but I would like him to come down to facts

Mr. President (The Honourable Sir Abdul Rahim) The Honourable Member is not giving way

The Honourable Sir Jeremy Raisman: I am dealing with facts I am dealing with facts which are familiar to those who deal with these problems and it is almost a commonplace of economics and public finance that the duty of each generation is to provide by toil and sacrifice, by tightening its belt, to provide for the cost of the problems with which it is faced and not to pass them on until it finds it is impossible to do any more it is then that it is entitled to say to its children and to its grandchildren, "Well, I did my best and you must bear whatever is left to bear "

Now, I come to the question of taxation There have been several suggestions I am grateful to my Honourable friend, Sir Homi Mody, for reminding the House that there is no such thing as a perfect tax Nevertheless he seemed to go on to criticise almost every tax which was included in the Budget, without suggesting exactly how they could be replaced He made constructive suggestions of a destructive kind But first of all I have a lance to break with Sir Homi Mody and that is this On the occasion of my speech on the general discussion on the Budget, I made certain remarks which apparently led Sir Homi Mody to think that I belong and have for some time belonged to what is known as the appeasement school I can assure Sir Homi Mody and I claim that there

is no person in this House against whom that charge can less justly be made. I have the strongest personal reasons for always being, as indeed I have been, very emphatically of the opposite view. But it is a different thing to sit here and see wisences stand up and tell you what you should have done ten, fifteen or twenty years ago, who talk as though they had the monopoly of prophetic wisdom and that if they had been in charge they would have been building aeroplanes in India twenty five years ago and they would have been manufacturing torpedoes and submarines and I know not what. That is very difficult to stand and it was in no mood of complacency that I defended existing governments against the charge which is laid against them by critics of that kind, and it remains true that a fair share for those sins of omission must be laid on the peoples as well as the governments and although I have heard many many witty and interesting speeches from Sir Homi Mody during the last ten years, I do not remember to have heard a single one on the theme of "Arm now for war will come tomorrow."

Sir H. P. Mody: I was not at 10, Downing Street, or I should have done it

The Honourable Sir Jeremy Raisman: Neither was I

Sir H. P. Mody: You placed second-rate men there that is your trouble.

The Honourable Sir Jeremy Raisman: Now, Sir Homi Mody prefaced his remarks on the subject of taxation by exhorting me to have more courage. He spoke of indirect taxation and the curious thing was that although he was obviously charging me with lack of courage for not increasing the salt tax, he never once mentioned the word 'salt' in the whole course of his speech. It was very curious that, even as a non-official critic, he found that it tasted a bit too strong, nevertheless he thought that we were lacking in courage in not facing up to certain indirect taxes which obviously would yield a good deal.

Sir F. E. James: Trying to put salt on your tail!

The Honourable Sir Jeremy Raisman: Quite. But I thought I should be able to include my friend, Sir Ziauddin Ahmad, in the same criticism because he approached the subject by the method of artful allegory. He talked about lions and tigers and I said "Ah, I smell salt". But he did. I must hand it to him, he came out with it finally and he suggested that the salt tax ought to have been increased. I will tell Sir Homi Mody that as I am not a politician, as it is my highest ideal to carry on the stewardship of this country's finances according to what I believe to be the best interests of the country, I shall tell him that the salt tax and other taxes are taxes which undoubtedly have to come under review and that there are circumstances in which the salt tax should undoubtedly be increased, circumstances in which it will be the duty of the Finance Member, whoever he may be, to increase that tax. But those would be circumstances which are somewhat different from the circumstances prevailing at the present moment. At the present moment the additional expenditure of the Government is largely in spheres which increase the

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income of the commercial and industrial classes, and it is unfortunate that within the last year the developments of the war have operated so as to reduce the income of the agricultural classes. In that situation, Sir, it seems to me that it would be extremely difficult to defend a sharp increase in the indirect taxation which must fall to be borne by the masses of the people rather than to insist on an increase in direct taxation. It is true that direct taxation is now getting to what I may call a very respectable height. But it is also a fact that, broadly speaking, the classes on whom direct taxation falls are at the present moment in a better position to meet higher taxation than they have been in the past, and that is the answer which I would give to Sir Homi Mody, and I trust that in future when he means salt, he will not talk about a certain monosyllabic commodity and that like Sir Zauddin Ahmad he will even be able to mention the subject of a cotton excise duty. I have received many other suggestions on the subject of new taxation. It may interest Honourable Members to know that at and about the time of the Budget I have a very large and miscellaneous desk. It is surprising how many people in this country are interested in the problems of the Finance Member, and how many suggestions I receive for new taxation and for easy ways of solving my problems. I will not say that all of them find their way into the waste paper basket, because it would be a pity to deprive my office and my subordinates of the amusement which I get out of reading these communications,—so I pass them on,—I won't say for what they are worth, for that might be unkind. However, it does sometimes happen that surprising suggestions are made. I think it will be perfectly honest of me to say that I have never yet derived an actual idea from this type of correspondence, but it is extraordinarily amusing, and even if it is anonymous, I can never refrain from reading it with special curiosity. Well, Sir, I cannot undertake the task not only of justifying the taxes I have imposed, but of explaining why I did not impose certain others instead of them. But my friend, Sir Muhammad Yamin Khan, mentioned the possibility of an excise on cigarettes. Well, Sir, I exclude no possibilities from my purview, but I would assure him that there are very good reasons why any tax which has ever been mentioned in this House has not yet been adopted or has not occupied a higher priority on the list, but I would say this to him. Why, when he admits that the smoker is undetected or is a suitable subject for taxation, why does he criticise the doubling of the match tax which as a matter of fact in respect of 90 per cent, is a smoker's commodity or a smoker's tax? I know, and my wife complains that I am not only the biggest consumer of matches in my household but that practically speaking I am almost the sole consumer. I consume at least a box of matches a day, because I am a pipe smoker, it is not merely my own experience, but it is common knowledge that, I should say, more than 90 per cent of the matches in this country, certainly a very very large proportion is consumed by smokers, and the commonest way by which matches are retailed is by the purveyors of *bidi*s and tobacco, and the mention of *bidi* will perhaps remind my friend, Sir Muhammad Yamin Khan, of one of the difficulties about the excise duty on cigarettes.

My friend, Sir Homi Mody, made a suggestion about the excise duty on matches which I must acknowledge would be a useful one. It is true there is a problem about fixing the retail prices of matches in such a way

that the revenue receives its fair share and yet the retailer or the trade is not invited to profit, and I agree with him that it may well be that the solution of this problem requires that other units should be devised and that it is not necessarily the best thing to have boxes of 40, 60 and 80 sticks and to have your tariff so to speak based on those. But I am satisfied that the legal position is that we are in a position by notification to cater for these intermediate sizes, and that is why I have not attempted to propose an amendment in the Finance Bill in order to deal with this matter, although it is one which will receive my attention and which I am prepared to discuss with the trade.

Sir, I shall only be a few minutes more but I feel that I must deal with one or two other remarks on the subject of taxation, and in particular, with the art silk question. Now, Sir, several Honourable Members of this House have spoken on that subject and suggestions have been made. The impression has been created that some serious mistake has been made here,—a duty has been levied on art silk yarn, which is the raw material of a certain industry,—no corresponding duty has been levied on the finished product, and something is seriously wrong. Well, Sir let me state the facts about this. First of all, I must point out that the duty on art silk fabrics at the present moment is no less than five annas per square yard, which until quite recently meant an incidence of over 100 per cent *ad valorem* and which at the present moment is probably over 50 per cent. Now that duty has risen. It has reached that level by successive stages, and certainly in the last of those stages the duty on art silk yarn remained unmoved. There was no suggestion then that an anomaly was being created there was no suggestion then that it was wrong to leave the art silk yarn duty out of relation to the piecegoods duty. But what happened? The duty was put up to five annas a square yard in order to protect the cotton textile industry. The imports of art silk piece goods were on such a scale that this tender plant was beginning to wilt, it was feeling the draught and had to be protected. At the last stage at which this happened,—I think it was in 1937—the position was that the revenue from the importation of art silk piecegoods was to the tune of two crores of rupees. It was suggested by the representatives of the cotton textile industry, that although this was a very substantial revenue interest, it was not necessary to sacrifice it, it would not seriously suffer if the duty were cocked just a little higher. It was then four annas, they suggested six annas a square yard, "By six annas a square yard you will get your money and we shall get protection, and we shall be able to sell our finer counts without undue competition at 50 per cent more, even if the import fell off, you will still get your revenue." Well, Sir, my predecessor,—and I was then one of his lieutenants,—was not entirely convinced by this argument. He agreed to advance to five annas. I was certain that by putting it at anything more than five annas we should lose a good deal, and even at five annas I had serious apprehension. What happened? That little act of protection, which is hardly known, cost us very nearly a crore of rupees,—a crore of rupees, mark you, in a total budget of some eighty and odd crores, on a single commodity. Now, Sir, do you wonder that I am a little suspicious, a little dubious, when my friend Sir Homi Mody offers me the money in another form? The fact is, we have been bitten and we are shy. Now he says how easy—take one anna off the yarn duty and put another anna on the fabric duty. Well, Sir, I have no doubt whatever, that speaking entirely from the point of view of the revenue, I would rather not touch

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either But if I did, I would say to my friend—will you guarantee, would you be prepared to make up the loss that might occur? I should be tempted to say to the Bombay textile industry which now urges that this should be done, that the duty on piecegoods should be put up,—I should be tempted to ask them whether they would be disposed to make up any loss that would occur by alternative taxation. I notice that after the little bit of history which I have just mentioned the cotton textile industry itself went into the business of weaving art silk. Having got us to put up the duty on artificial silk piecegoods without touching the duty on art-silk again, they realised as acute business men that there was a new textile industry which would yield more money than cotton textile and so they went in for that too, and that explains the anomaly which Mr. Boyle brought to my attention that it is the Bombay Millowners' Association to protest. It is the protagonists of the cotton textile industry who protest against this injustice to the art-silk industry. It is because they have gone into the business.

Sir H. P. Mody: What about giving some relief in the matter of exports of art silk cloth

The Honourable Sir Jeremy Raisman: I agree that that suggestion is on an entirely different level. The question of relief to export trade from a duty levied on a raw material which went into the making of a finished product—that is on a different level, and I can at least say this that it is a principle which deserves serious consideration at a suitable time. I should also point out on this question of duty on art silk piecegoods that it is a protective duty, although it was classified as protective, not in the interests of the art silk weaving industry, but in the interests of the cotton textile industry, nevertheless, there it is. Should there be a case, though I leave the House to judge what I think of the case,—should there be a case established for the protection of this industry, it would be possible,—it would be possible I say for Government to take action without legislation. But a simple calculation will show that the duty on a pound of imported art silk piecegoods is something like 30 annas. There are roughly six square yards to a pound and it is 30 annas. The duty on a pound of yarn has now been raised from 3 to 5, so that this industry has been subjected to the hardship of having a protection of 27 annas a pound reduced to 25!

Sir H. P. Mody: I am afraid your education is incomplete

The Honourable Sir Jeremy Raisman: I would like my Honourable friend to work that out in percentages

There only remains one other tax on which a few remarks were made, and that is tyres. I did expect that in connection with tyres at any rate, the old subject of inflation and deflation would again have cropped up, but nobody seems to have taken advantage of that opportunity. I shall be a very short time on that. I want to indicate why it is possible to impose an excise of 10 per cent on the tyre industry without doing anything to the import duty on tyres. In the first place, at the present moment you have not got conditions of very effective competition, but a more important and permanent consideration is this. The duty on tyres

is a revenue duty which has grown up for purely revenue reasons. There was no guarantee, there was no question of protection of any industry. On the contrary it is a matter of my own personal knowledge that when this industry was set up and the question was put to me, I pointed out that the growth of this industry inside the country would have a certain effect on revenue, and that whereas we probably would not take steps to introduce a new tax until the amount involved was appreciable, the industry should certainly not expect that we should see our revenue lost without taking any steps to compensate ourselves. If whenever an excise duty is imposed an equivalent amount is added to the customs duty, it is quite clear that the whole of that increase comes from the consumer. When an industry grows up behind a revenue tariff, it is by no means clear that the cost of any taxation levied on that industry must wholly come from the consumer. It may easily be the case that an industry in that position is deriving profits some of which it should share with the exchequer which has lost by reason of the reduction in imports. That is a position which is surely familiar to Members of this House. It is only in the case of a protective duty that there is an absolute obligation unless the amount of protection is to be reduced. There is then an obligation on the Government if it introduces an excise to maintain the same margin between the domestic and imported product, but it does not follow at all that in case where you have a revenue duty,—and some revenue duties are extremely high—any industry which grows up inside the country is entitled to a protection equivalent to the whole of the revenue duty which happens to exist when that industry is set up. It is a matter for examination and consideration and a case has to be established. What I am satisfied with here and now is that the imposition of an excise on the tyre industry in India even without any corresponding increase in the customs duty does not seriously affect the industry.

I will only touch further on one small point, and it relates to Mr. Joshi's speech this morning. He dealt with the question of dearness allowance and he spoke—of course, we do not expect gratitude from leaders in Mr. Joshi's position, but still we do expect that they will not entirely misrepresent the action which we have taken. He spoke as if we had actually given more to the more highly paid railway staff and less to the lower paid staff. He conveyed the impression that, instead of giving an allowance we were taking something away, or he would suggest that we were giving less to the lower paid workers than we were giving to the more highly paid workers. That is entirely incorrect. In no area do the lowest paid men get less even in terms of money than those more highly paid, and proportionately they will everywhere get more. Had I approached the question from the point of view of strict justice on which Mr. Joshi laid so much stress, I could not have agreed to the generous scale which the Railway Board have granted. We are giving substantially more than either we or any provincial Government regard as justified by a mere economic analysis of the position. That is my position with regard to these dearness allowances. Therefore, when Mr. Joshi suggests that the element of negotiation has operated to reduce the compensation received by the workers, his statement is not correct.

Sir, I fear I have wearied the House. I regret that I could not get up to speech till very late. I shall now cease to tax the patience of Honourable Members as I have taxed their pockets.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of the excise duty on matches leviable under the Matches (Excise Duty) Act, 1934, to vary the rate of the excise duty on mechanical lighters leviable under the Mechanical Lighters (Excise Duty) Act 1934, to vary the rate of the duty on artificial silk yarn and thread leviable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax and to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, be taken into consideration"

The Assembly divided

AYES—46

Abdul Hamid, Khan Bahadur, Sir
 Abdul Hamid, Khan Sahib Shaikh
 Ahmad Nawaz Khan, Major Nawab
 Sir
 Bewoor, Mr Gurunath
 Boyle, Mr J D
 Buss, Mr L C
 Caioe, Mr O K
 Chapman Mortimer, Mr T
 Clow, The Honourable Sir Andrew
 Daga Seth Sunderlal
 Dalal, Dr R D
 Dalip Singh Sudin Bahadur Captain
 Dehejia, Mr V T
 Desouza, Dr F X
 Dumasia, Mr N M
 Ghulamali, Sir Abdul Halim
 Gopalaswami, Mr R A
 Griffiths Mr P J
 Gwilt, Mr E L C
 Ikramullah, Mr Muhammad
 Imam, Mr Sayyid Haider
 Ismael Ali Khan, Kunwar Hajee
 James, Sir F E
 Jawahar Singh, Sardar Bahadur
 Sardar Sir
 Kamaluddin Ahmed, Shams ul-Ulema

Lawson, Mr C P
 Maxwell, The Honourable Sir Reginald
 Mazharul Islam, Maulvi
 Miller, Mr C C
 Muazzam Sahib Bahadur, Mr
 Muhammad
 Mudaliar, The Honourable Diwan
 Bahauddin Su A Ramaswami
 Mukhaiji, Mr Basanta Kumar
 Ogilvie, Mr C M G
 Onisim, Mr S H Y
 Pillai, Mr T S S
 Rahman Lieutenant-Colonel M A
 Raisman The Honourable Sir
 Jeremy
 Rao, Sir Raghavendra
 Shahhan Khan Bahadur Mian
 Ghulam Kadir Muhammad
 Sheehy, Mr J F
 Singh, Mahajala Bahadur Ram Ran
 Vijay Prasad
 Sivraj, Rao Sahib N
 Spence, Sir George
 Thakur Singh, Captain
 Tyson, Mr J D
 Zafrullah Khan, The Honourable Sir
 Muhammad

NOES—28

Abdoola Haatoon, Seth Hajji Sir
 Abdul Ghani, Maulvi Muhammad
 Abdullah, Mr H M
 Aney, Mr M S
 Aghar Ali, Mr Muhammad
 Bajoria, Baba Baijnath
 Banerjee, Dr P N
 Chattopadhyaya Mr Amarendra
 Nath
 Deshmukh, Mr Govind V
 Essak Sait, Mr H A Sather H
 Faiz-i-Haq Piracha, Khan Bahadur
 Shaikh
 Ghiasuddin, Mr M
 Gulam Bhik Naairang, Syed
 Habibur Rahman, Dr
 The motion was adopted

Jinnah, Mr M A
 Joshi, Mr N M
 Lalchand Navrali, Mr
 Liaquat Ali Khan, Nawabzada
 Muhammad
 Maitra, Pandit Lakshmi Kanta
 Muhammad Ahmad Kazmi, Qazi
 Murtuza Sahib Bahadur, Maulvi
 Syed
 Nauman, Mr Muhammad
 Rafiuddin Ahmad Siddiquee, Shaikh
 Raza Ali, Sir Syed
 Siddique Ali Khan, Nawab
 Umar Aly Shah, Mr
 Yamin Khan, Sir Muhammad
 Zafar Ali Khan, Maulana

The Assembly then adjourned till eleven of the Clock on Friday the
 21st March, 1941

LEGISLATIVE ASSEMBLY

Friday, 21st March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

DIRECTORS GENERAL, DEPUTY DIRECTORS GENERAL AND OFFICE SUPERINTENDENTS OF THE ARCHAEOLOGICAL DEPARTMENT

441. *Maulvi Muhammad Abdul Ghani: (a) Will the Education Secretary please state how many Muslims and non-Muslims have held the posts of Director General, Deputy Director General and Office Superintendent, of the office of the Director General of Archaeology ever since the creation of the Department?

(b) Were suitable Muslims not available for the posts of Director General, Deputy Director General and Office Superintendent?

Mr. J. D. Tyson: (a) Director General of Archaeology—Europeans 7, Hindus 2, Muslims nil

Deputy Director General of Archaeology—Europeans 3, Hindus 2, Muslims 1

Superintendent—Hindus 4, Muslims nil, but one has officiated

(b) I would refer the Honourable Member to answers to the questions that have been asked on the subject in the past

Maulvi Muhammad Abdul Ghani: Having regard to the paucity of the Muslim members referred to in the question, will the Honourable Member take steps to see that there is proper Muslim representation in the Department?

Mr. J. D. Tyson: There is no paucity actually of Muslim officers. They have 33 per cent of the Class I posts, they have both the Class II posts, and in the Director General's Office they have certainly more than the prescribed ratio, in fact, they have 50 per cent of the representation. There is no paucity of Muslim representation in the Department.

Mr. Lalchand Navalrai: May I know whether these higher appointments are filled directly, or they are filled from the lower ranks?

Mr. J. D. Tyson: I think all the Class I appointments are made by direct recruitment

Mr. Lalchand Navalrai: Is there any communal ratio by which these higher appointments are made, or are they made by promotion?

Mr. J. D. Tyson: Class I is recruited with a communal proportion and we recruit by what we call a roster, but promotion is on merit

Mr. Lalchand Navalrai: May I know what appointments are included in Class I?

Mr. J. D. Tyson: Class I includes Assistant Superintendents, Superintendents, the Deputy Director General and the Director General. There are also two specialised posts in Class I which are not subject to communal ratio

Mr. Lalchand Navalrai: Are these posts filled up through the Public Service Commission?

Mr. J. D. Tyson: Yes, Sir, they are filled up with the advice of the Public Service Commission

APPOINTMENT TO THE POST OF CLERK IN THE DELHI FORT MUSEUM

442. *Maulvi Muhammad Abdul Ghani: (a) Will the Education Secretary please state if it is a fact that the Muslim clerk at Taxila Museum applied to the Superintendent, Northern Circle, for the post of clerk in the Delhi Fort Museum? Did the Director General of Archaeology withhold his application, and supported the candidature of a non-Muslim clerk?

(b) Is it a fact that the Muslim clerk in question has experience of museum work for about ten years and that the other candidate had no experience of work in a museum? If so, will the Honourable Member please state the reasons for giving preference to the latter over the Muslim candidate?

Mr. J. D. Tyson: (a) A number of applications were received for the post of clerk at the Delhi Fort Museum, including one from the Muslim clerk at the Taxila Museum. No action was taken on the applications as there was no immediate prospect of the post falling vacant. No application was supported by the Director General of Archaeology in India.

(b) The reply to the first part of the question, in so far as it relates to the Muslim clerk, is in the affirmative. The rest of the question does not arise.

COMPETENCY OF THE DIRECTOR GENERAL OF ARCHAEOLOGY TO INTERFERE IN CERTAIN POWERS DELEGATED TO THE ARCHAEOLOGICAL SUPERINTENDENTS

443. *Shaikh Rafiuddin Ahmad Siddique: Will the Education Secretary please state if the Director General of Archaeology is empowered by rules to interfere in the powers delegated to Archaeological Superintendents under the Classification, Control and Appeal Rules in respect of appointments, punishments, etc? If so, under what rules?

(b) Is it a fact that the Director General of Archaeology has interfered in the powers of Superintendents at Agra, Patna, Poona and Calcutta? If so, why?

Mr. J. D. Tyson: (a) I would refer the Honourable Member to my reply to part (b) of Sir Syed Raza Ali's starred question No 224 on the 8th March, 1941.

(b) Government are aware of two instances in which the Director General of Archaeology in India had occasion to interfere with the exercise of powers delegated to them by the Superintendents, Northern and Central circles, for reasons given in replies to questions No 224 on the 3rd March, 1941, and No 378 on the 17th March, 1941, respectively. They are not aware of any such instance so far as the Western and Eastern circles are concerned.

Mr. Lalchand Navalrai: May I ask if the Director General has got the power to interfere in this case, but that he did not actually interfere in this case?

Mr. J. D. Tyson: We think he had the power. I won't say the thing is entirely free from doubt.

APEALS OF MUSLIM OFFICIALS IN THE ARCHAEOLOGICAL DEPARTMENT

444. *Shaikh Rafiuddin Ahmad Siddique: Will the Education Secretary please state whether the appeals of any Muslim officer, Assistant Technical subordinate, or inferior servant, in the Archaeological Department, have ever been accepted? If so, whose?

Mr. J. D. Tyson: During the last three years one appeal by an inferior servant and three by assistant technical subordinates were rejected and one appeal by an officer was disallowed on the ground that no appeal lay. No appeal from a Muslim belonging to any of the categories referred to was allowed during that period. Information for the previous period is not readily available.

DEATH OF ONE NAIMA BEGUM AT THE IRWIN HOSPITAL, NEW DELHI

445. *Dr. Sir Ziauddin Ahmad: (a) Will the Education Secretary please state whether it is not a fact that one Naima Begum, daughter of Mr Sirajuddin Ahmad of Delhi, who swallowed a copper coin, came to Irwin Hospital for medical treatment?

(b) Is it not a fact that a nurse advised the father to take her back and give her some *halwa* to swallow?

(c) Is it not a fact that the father insisted on having expert medical advice in the Hospital?

(d) Is it not a fact an inexperienced doctor attempted to take out the coin with an instrument, and burst the tube going to the stomach?

(e) Is it not a fact that the said doctor sent the patient away with an assurance that she will be cured in a few days?

(f) Is it not a fact that the relatives of the patient, who were medical men, first discovered the bursting of the artery?

(g) What action, if any, did Government take against the person who is responsible for the murder?

(h) Are Government aware that feelings against indifferent treatment in the Irwin Hospital are general?

(i) Are Government prepared to make exhaustive enquiry?

Mr. J. D. Tyson: (a) Yes.

(b) to (g) The facts of the case have been investigated by a committee specially appointed for the purpose and as a sequel to the committee's report a doctor on the hospital staff was called upon to answer charges in departmental proceedings. The report and proceedings are now under examination. Government will consider the question of placing on the table of the House the report and the orders passed when a decision has been arrived at.

(h) and (i) Reference is invited to the reply given to part (e) of question No 381 asked by Mr Essak Saat on the 17th March, 1941.

Dr. Sir Ziauddin Ahmad: With reference to part (h) of the question, is it not a fact that in spite of the protests of Sir Henry Gidney, the feelings of grievances are general? Are Government aware of this?

Mr. J. D. Tyson: No, Sir

Maulvi Muhammad Abdul Ghani: Will the Honourable Member please lay on the table a copy of the explanation submitted by the Doctor?

Mr. J. D. Tyson: That is already covered, I think. We shall have to consider what papers we lay on the table when a decision has been arrived at in the case. The papers are very voluminous.

Maulana Zafar Ali Khan: With regard to the last part of the question, may I ask what prevents Government from making an exhaustive inquiry?

Mr. J. D. Tyson: If the Honourable Member means an exhaustive inquiry into this particular incident, we have had two such and the matter is still *sub-judice*.

Dr. Sir Ziauddin Ahmad: By "exhaustive inquiry" was intended the general efficiency of the hospital?

Mr. J. D. Tyson: We have no reason to doubt the general efficiency of the hospital.

EXPENDITURE FOR MAINTENANCE OF THE PILGRIM DEPARTMENTS IN BOMBAY, KARACHI AND CALCUTTA

446. *Mr. H. M. Abdullah: (a) Will the Secretary for Education, Health and Lands be pleased to state the annual expenditure for the maintenance of the Pilgrim Departments in Bombay, Karachi and Calcutta, when the same was under the Commissioner of Police at Bombay and Calcutta and the Collector of Karachi at Karachi?

(b) Was the whole expenditure met by Government? If not, what part of it was given by Government and how and from where was the balance met?

(c) What is the annual expenditure of the maintenance of this department at present which has now since 1938 been transferred to the control of the Port Haj Committee established under an Act of this Legislature?

(d) What is Government's contribution towards the same at present and how and from where is the balance met?

Mr. J. D. Tyson: (a) The average annual expenditure was Rs 85,846.

(b) Yes

(c) The actual expenditure during 1939-40 was

Port Haj Committee, Bombay—Rs 29,898

Port Haj Committee, Karachi—Rs 28,506

Port Haj Committee, Calcutta—Rs 12,554

(d) The Port Haj Committees of Bombay and Calcutta have been given grants-in-aid of Rs 4,000 and Rs 7,700, respectively, during 1940-41 by the Government of India. The balance of expenditure in the case of the Bombay and Calcutta Port Haj Committees and the whole expenditure in the case of the Karachi Port Haj Committee was met from the Haj Funds of the Committees created under the provisions of section 20 of the Port Haj Committees Act, 1932.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: With reference to parts (c) and (d) of the question, may I ask what is the Haj Fund and from whom it is realised?

Mr. J. D. Tyson: The Haj Fund was built up during the four years after the Port Haj Committees were created, during these four years Government financed the actual working of the Port Haj Committees, and the Port Haj Committees during that time accumulated funds from the sources of revenue specified in the Act.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: What are the sources of revenue specified in the Act?

Mr. J. D. Tyson: I have referred to the section of the Act.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: Is it not a fact that the pilgrims are charged passport fees and visitors' fees?

Mr. J. D. Tyson: Two of the sources of revenue are pilgrim passport fees and visitors' fees.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: Is the money spent on the amenities to be provided to the Hajis?

Mr. J. D. Tyson: I must ask for notice. The Accounts are very complicated.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: Is not the recovery of passport fees a burden on the Hajis?

Mr. J. D. Tyson: The Hajis certainly have to pay the passport fees but they were imposed for very good reason originally. They should take their pilgrim passes in their own districts where they are known well. If they prefer to leave it till they come down to the port, then they must pay the fee. Some of them find it more convenient to pay the fee than to submit themselves to local enquiries. It is their own choice.

Khan Bahadur Shaikh Fazl-i-Haq Piracha: Did this practice of collection of passport fees from the pilgrims come into existence before the Haj Committee was set up?

Mr. J. D. Tyson: It was imposed as a result of the Haj Enquiry Committee of 1930

Seth Haji Sir Abdoola Haroon: Is it a fact that there are two sources of income, firstly passport fee from those members who are not bringing their passports from their districts and secondly the income derived from pilgrims who die in Jeddah without leaving any claimant for the belongings or the passage money—these two amounts are put into the Haj fund?

Mr. J. D. Tyson: Besides these two sources, there are five other sources of income

Dr. Sir Ziauddin Ahmad: What are the others?

Mr. J. D. Tyson: It is mentioned in section 20 of the Act I will read it out to the House if it is so desired, but it is a long one

Mr. President (The Honourable Sir Abdur Rahim) If it is in the Act, the Honourable Member need not read it out

Seth Haji Sir Abdoola Haroon: Is it a fact that Government were formerly meeting all the expenses of the Haj Committees, and is it a fact that the Haj Enquiry Committee report has suggested that these funds should be spent on the betterment of the condition of the Hajis in steamers and ports and in many other ways? Is it a fact that Government are utilising these fees for the maintenance of the Haj Committees?

Mr. J. D. Tyson: I must ask for notice I am afraid I cannot answer offhand

Dr. Sir Ziauddin Ahmad: Is it not a fact that the money referred to by Seth Haji Abdoola Haroon is now realised from the Hajis which ought to have been spent for improving the facilities and amenities to the Hajis and instead of that Government are now devoting the money for Port Haj Committees? Is it not a fact that Government were spending from out of their general funds the expenses of these committees before?

Mr. J. D. Tyson: I do not think so Section 20 of the Act is perfectly clear There are seven sources of income provided for Port Haj Committees and only one of them is in any way allocated to any particular purpose and that is item (d), "the amount now standing to the credit of the fund known as the indigent pilgrims fund, provided that such amount shall be applied by the Committee solely for the relief of indigent pilgrims" There was no specification in the Act that any of the other six sources should be applied to any particular purpose They were all for the financing of the activities of the Port Haj Committees

Seth Haji Sir Abdoola Haroon: May I know whether the Port Haj Committees willingly decided to spend this amount on the staff, or did Government press upon them to spend that money on the staff which previously Government used to defray from the general revenues?

Mr. Govind V. Deshmukh: I rise to a point of order Is it permissible for any Honourable Member to suggest that Government brought pressure on the Port Haj Committees?

Seth Haji Sir Abdoola Haroon: Did the Port Haj Committees spend this money of their own accord or Government brought pressure on them to spend the money on the staff?

Mr. Govind V. Deshmukh: He is again using the word "pressure".

Dr. Sir Ziauddin Ahmad: Did Government direct the Port Haj Committees? That is a better way of putting it

Mr. J. D. Tyson: With the best intentions, Sir, I am afraid, I do not quite follow the question

SCALES OF PAY AND ALLOWANCES OF THE SECRETARIES OF THE PORT HAJ COMMITTEES AT BOMBAY, CALCUTTA AND KARACHI.

447. *Mr. H. M. Abdullah: (a) Will the Secretary for Education, Health and Lands be pleased to state whether it is a fact that when the Port Haj Committee, Bombay was not an elected body, but was nominated by the Commissioner of Police, Bombay, and when the pilgrim department was under his control, the Secretary of the Committee was a high official, such as, the Deputy Commissioner of Police, with a Muslim gazetted officer as the Protector of Pilgrims?

(b) What is the status and pay of the present Secretary and Executive Officer of the Committee?

(c) Is it a fact that the Haj Inquiry Committee, 1929, had recommended that the Secretary and the Executive Officer of the Port Haj Committee at Bombay should be in the grade similar to that of a Deputy Collector drawing a salary of 500—700 with house and conveyance allowances?

(d) If the answer to part (c) be in the affirmative, why has the recommendation not yet been put in practice for all these 12 years?

(e) Is it a fact that contrary to the recommendation of the Haj Enquiry Committee, the scale of pay and allowance of the Secretary and Executive Officer of the Port Haj Committee at Bombay recently has had to be reduced to meet the limited budget at the disposal of the Committee?

(f) What is the scale of pay and allowances of the Secretary of the Port Haj Committee at Calcutta and Karachi?

Mr. J. D. Tyson: (a) The Deputy Commissioner of Police, Port, Bombay, acted as Secretary of the Haj Committee in addition to his own duties. The Muslim Protector of Pilgrims was not a gazetted officer.

(b) He is an employee of the Committee. His present pay is Rs 200 per mensem in the grade of Rs 200—10—300 and he draws in addition a consolidated house and conveyance allowance of Rs 50 per mensem.

(c) Yes

(d) The recommendation was considered by Government in consultation with the Standing Haj Committee and it was decided that the Executive Officer should receive the same emoluments as were drawn by the former Protector of Pilgrims, Bombay, and that the question of a higher scale of pay might, if necessary, be taken up when there was an improvement in the financial position. Since 1938 the conditions of service of the Executive Officer have been regulated under the bye-laws made by the Port Haj Committee, Bombay.

(e) Yes. When making a new appointment to the post, the Port Haj Committee fixed a lower scale of pay.

(f) A statement is laid on the table.

Designation of Officer	Pay	Allowances
Secretary, Port Haj Committee, Calcutta	Rs 150—10—250	Personal allowance Rs 10 p m
Secretary, Port Haj Committee, Karachi	200—20—400	House rent allowance Rs 30 p m Conveyance allowance Rs 65 p m

PROVIDENT FUND AND PENSION FOR THE STAFF OF THE PORT HAJ COMMITTEE, BOMBAY

448. *Mr. H. M. Abdullah: (a) Will the Secretary for Education, Health and Lands be pleased to state whether it is a fact that the staff of the Port Haj Committee, Bombay, are not extended the benefits of Provident Fund and Pension, while those at Calcutta and Karachi are given these benefits?

(b) If the answer to part (a) be in the affirmative, will the Education Secretary please state why this differential treatment is being given at different places and whether Government are willing to look into the matter to see that equal treatment is meted to all?

(c) Is it a fact that when the Pilgrim Department at Bombay was transferred from the Commissioner of Police to the Port Haj Committee, the Muslim Government staff working therein were compulsorily made to retire on pension and transferred to the Port Haj Committee where the same facilities as in Government service did not exist?

(d) Is it a fact that the non-Muslim staff working in that department were retained in Government service and absorbed in other departments?

(e) Is it a fact that similarly the staff so transferred at Calcutta and Karachi, were sent to the Port Haj Committee on deputation, having their hon. on Government service?

(f) If the answer to parts (c), (d) and (e) be in the affirmative, will the Honourable Member state why this differential treatment was given at Bombay and whether Government are prepared to look into the matter and see that equal treatment is meted to all?

Mr. J. D. Tyson: (a) Employees of the Port Haj Committees, Bombay, Calcutta and Karachi are not entitled to the benefits of the Provident Fund. The rules of the Calcutta Port Haj Committee provide for the grant of pension but no such provision is contained in the rules for the Bombay and Karachi Port Haj Committees.

(b) The matter is regulated by the bye-laws of the respective Port Haj Committees. In so far as the approval of the Central Government is required, they will be prepared to examine any proposals which may be received from the Committees.

- (c) and (d) Yes
 (e) No

(f) The former Pilgrim Department of Bombay was administered by the Government of Bombay and the decision regarding its staff was taken by that Government. Government will examine any proposals which may be received from the Port Haj Committee.

Maulvi Syed Murtuza Sahib Bahadur: Will the Honourable Member inform us if the Government are prepared to bring about uniformity in all the other two Port Haj Committees so that all the executive officers attached thereto may get either pension or provident fund as their funds permit? Are the Government of India prepared to make the suggestion?

Mr. J. D. Tyson: We shall be ready to examine any recommendations which come up from the Committees. They are fairly autonomous bodies and I do not know whether we should suggest any uniformity among them.

**LAYING BEFORE THE LEGISLATIVE ASSEMBLY AT THE BEGINNING OF SESSION
IMPORTANT LEGISLATION TO BE INTRODUCED IN THE SESSION**

449. *Dr. Sir Ziauddin Ahmad: (a) Is the Honourable the Leader of the House prepared to lay before the House at the beginning of each session the important legislation which Government may be contemplating to introduce in the Session?

(b) Are Government aware that the non-official Members are very much handicapped for not having sufficient time to consider and study the various aspects of important legislation on account of short notices?

The Honourable Sir Muhammad Zafrullah Khan: (a) From observations made by the Honourable Member in the course of his speech on Tuesday last I understand his suggestion to be that Government should, at the commencement of a Session, supply Honourable Members with an indication of the probable legislative programme for the Session. Within the limits of practicality I am prepared to give effect to this suggestion. But I must warn the Honourable Member that there will always be cases in which a decision to introduce legislation in the course of a Session is not taken until after the commencement of the Session and also cases in which the public interest would preclude disclosure of the decision in advance of the introduction of the Bill.

(b) No I must repudiate the suggestion that existing arrangements result in Honourable Members having insufficient time to study the measures placed before the House.

**PRESENTED ARTICLES SURRENDERED TO GOVERNMENT BY OFFICERS IN THE
SUPPLY DEPARTMENT**

450. *Dr. Sir Ziauddin Ahmad: (a) Will the Honourable the Leader of the House be pleased to state the value of the articles presented to the officers in the Supply and its allied departments, surrendered by the officers to the Government?

(b) How do Government dispose of these articles?

The Honourable Sir Muhammad Zafrullah Khan: (a) I am not aware of any case in which articles have been presented to any officer of the Supply Department and its subordinate organisations.

(b) Does not arise.

NECESSITY OF A TECHNICAL OFFICER UNDER THE CONTROLLER OF PRINTING AND STATIONERY

451. *Mr. Muhammad Azhar Ali: (a) Is the Honourable the Labour Member aware that a few years ago when the Indian Stores Department wanted to take up the management of the Central Stationery Office, it was contended by the then Controller of Printing and Stationery that the Central Stationery Office must be under a printer as it deals with printing materials?

(b) If the above mentioned facts are substantially true, when the future Controller of Printing and Stationery happens to be a non-technical man, are Government prepared to appoint a Printer in the Central Stationery Office, Calcutta? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) The question of transferring the purchase of stationery stores to the Indian Stores Department which was considered by the Government of India a few years ago, did not emanate from the Indian Stores Department. The reply to the second part is in the negative.

(b) Does not arise

Dr. Sir Ziauddin Ahmad: May I know whether the Indian Stores Department used to buy or does it buy now the various articles required by the Department of Stationery of the Government of India?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No, Sir, not at any time

Dr. Sir Ziauddin Ahmad: Does that department buy for itself?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Yes, Sir

APPOINTMENT OF MR THOMAS AS MACHINE FOREMAN IN THE GOVERNMENT OF INDIA PRESS, CALCUTTA, AND APPOINTMENT OF MUSLIM OFFICERS IN THE CENTRAL PUBLICATION BRANCH, DELHI

452. *Mr. Muhammad Azhar Ali: (a) Will the Honourable the Labour Member in charge please state whether a Section Holder Mr Thomas from the Composing Branch of the Calcutta Government of India Press, was appointed as Machine Foreman of the Press, and the claims of senior qualified Muslim employee of the Machine and Press Department were overlooked?

(b) Will the Honourable Member please state whether any Muslim has ever been appointed as Manager, Assistant Manager, or Superintendent of the Central Publication Branch, Delhi?

(c) If the answer to part (b) be in the negative, when do Government propose to appoint a Muslim Officer in the above office? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) The reply to the first part is in the affirmative. As regards the second part, the post in question being a selection post, the appointment was made with due regard to the principles governing appointments to such posts.

- (b) No.
 (c) Appointments to these posts are made by selection on merit. It is not possible to forecast when the post might be held by a Muslim.

NECESSITY OF A TECHNICAL OFFICER UNDER THE CONTROLLER OF PRINTING AND STATIONERY.

453. *Mr. Muhammad Azhar Ali: (a) Will the Honourable the Labour Member please state whether it is a fact that the next Controller of Printing and Stationery is a non-technical man?

• (b) Is it a fact that the last I C S Controller of Printing and Stationery recommended that a Printer should be appointed as Deputy to assist him? If so, is it proposed to appoint a technical man as the Deputy Controller of Printing?

(c) Is it a fact that there is not a single Muslim Officer, or Superintendent in the Headquarters Office of the Controller of Printing and Stationery? If so, when is it proposed to appoint a Muslim Officer in that Office?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) Yes

(b) No The second part does not arise

(c) Yes As regards the second part, superior posts in the Headquarters Office of the Controller of Printing and Stationery are ordinarily filled by promotion. It is, therefore, not possible to forecast when a Muslim will be appointed

INDIANS RESIDENT IN SOUTH AFRICA

454. *Mr. Govind V. Deshmukh: Will the Secretary for Education Health and Lands, please state

- (a) if the Union Government of South Africa and the Government of India had arrived at an agreement that while no new Indian was to be admitted to South Africa, the Indians already resident in the country should be treated with every consideration and given all the rights of citizenship,
 (b) whether the Union Government has kept its promise of treating Indians with consideration and giving rights of citizenship; if not, why not,
 (c) whether this matter was referred to His Majesty's Government, if so, with what result, and
 (d) whether it will be referred to His Majesty's Government now?

Mr. J. D. Tyson: (a) If the Honourable Member is referring to the claim put forward by the Government of India at the Imperial Conference in 1921 for full rights of citizenship for Indians domiciled in different parts of the Empire, I must point out that the representatives of South Africa expressed the Union Government's inability to accept the claim in view of the exceptional circumstances of the greater part of the Union. In the agreement arrived at between the Government of the Union of South Africa and the Government of India at Cape Town in 1927 the former recognised an obligation to take all possible steps for the uplift of the Indians resident in the Union to the full extent of their capacity and opportunities

(b) I would invite the Honourable Member's attention to part III of the annexure to the Cape Town Agreement of 1927, a copy of which will be found in the Library of the House. The Government of India are not aware that the Union Government have modified the policy stated therein.

(c) and (d) Having regard to the constitutional position of the Union of South Africa no occasion for referring the matter to His Majesty's Government has arisen.

Mr. Govind V. Deshmukh: With regard to part (a) of the question, was the undertaking merely about the uplift of the Indians or citizenship of Indians in South Africa?

Mr. J. D. Tyson: No, Sir. In the Cape Town Agreement there was no undertaking about citizenship. There was only what we call the uplift clause.

CONTRACT FOR SUPPLY OF DRIED FRUITS TO THE ARMY GIVEN TO AFGHAN NATIONALS

455. *Mr. Govind V. Deshmukh: Will the Honourable the Law Member please state if Government have given any contract for the supply of dry fruits to the Army to the Afghan nationals? If so, were any tenders invited in this case before the contract was sanctioned? If tenders were not invited what were the reasons for not doing so?

The Honourable Sir Muhammad Zafrullah Khan: In December last tenders for the supply of dried fruits were invited in India. The response was inadequate and the firms on which the orders were finally placed succeeded in supplying only a small proportion of the quantity ordered. This necessitated the placing of a contract outside India.

Mr. Govind V. Deshmukh: May I know if any Indians have been given the contract for dried fruits?

The Honourable Sir Muhammad Zafrullah Khan: That is what I have just said, that we did give contracts in India for dried fruits and they failed to supply the quantities for which orders were placed with them.

Mr. Govind V. Deshmukh: May I take it that no contracts have been given to the Afghan nationals?

The Honourable Sir Muhammad Zafrullah Khan: I have answered that in the affirmative.

Mr. Govind V. Deshmukh: May I suggest that hereafter Government will abstain from giving contracts with respect to dried fruits in view of the facts that the Indo-Afghan exchange *hundi* problem is not settled and there are other factors such as the realisation by Indians of their decretal amount in Afghanistan and remission of money from Afghanistan by Indians?

The Honourable Sir Muhammad Zafrullah Khan: I am afraid I am unable to accept the suggestion. If dried fruits or any other article wanted for the army is not procurable in India we must go wherever it is procurable.

Mr. Govind V. Deshmukh: Am I to understand that in India there are no merchants who would be able to supply these dried fruits? Is the Honourable Member aware that there is the Frontier Chamber of Commerce who might be able to make this supply?

The Honourable Sir Muhammad Zafrullah Khan: I have been at pains to explain that we did place orders in India. As a matter of fact, in December we invited tenders for 132 tons of dried fruits, only 102 tons were offered and out of that only 30 tons were supplied and the contractors applied to be excused for the rest as they were unable to procure them. What was I to do in the circumstances except to go outside India?

DURGAH OF MAKHDUM SHAH SAHIB NEAR SHAHPUR, QUTAB ROAD, DELHI.

456. *Maulana Zafar Ali Khan: (a) Will the Secretary for Education, Health and Lands please refer to the answer to starred question No. 1380, dated the 30th March, 1939, and state what constitutes the Durgah of Makhdum Shah Sahib near Shahpur, Qutab Road, Delhi, which comes under the definition of "protected monument" under the Archaeological Department?

(b) Does it also include other graves and mosque, etc.,—in fact every thing encircled by the boundary wall of the Durgah?

(c) If the answer to part (b) above be in the negative, are Government prepared to hand over the possession of that portion of the Durgah which does not come under (b) above to the descendants of Makhdum Sahib?

(d) If the answer to part (b) be in the affirmative, will Government please refer to the undertaking given in reply to starred question No. 1381, dated the 30th March, 1939, and state why only partial repairs have been carried out in respect of certain graves while others have been left out?

(e) Is he aware that there is no gate at the main entrance of the Durgah, in the absence of which animals enter the place freely? If so, are Government prepared to provide a gate to remove this trouble and thus protect the sanctity of the place?

(f) Is it a fact that there is no passage leading from the main road to the Durgah? If so, do Government propose to provide a passage for the convenience of the visitors?

(g) Does the adjoining Serai with its boundary wall and the house of Makhdum Shah Sahib also come under the Protected Ancient Monuments Act?

(h) If the answer to part (g) above be in the affirmative, will the Secretary please state how cultivation is being done inside the compound wall of the Serai?

Mr. J. D. Tyson: (a) and (b) The whole area enclosed by the boundary wall is protected. This includes a mosque and a number of graves.

(c) Does not arise.

(d) Such structural repairs as funds permitted were carried out to the monument and graves. Further repairs will be carried out as funds permit.

(e) No complaint of animals entering the enclosure has been received.

(f) There is already a footpath from the main road to the monument.

(g) No.

(h) Does not arise.

Maulana Zafar Ali Khan: I understand the piece of land beyond the precincts of the mosque is under cultivation Who is cultivating it at the present moment?

Mr. J. D. Tyson: If the Honourable Member means land within the boundary wall, I will certainly inquire But I have no information that cultivation is being carried on within the boundary of the protected monument

Maulana Zafar Ali Khan: Will the Honourable Member please make an inquiry?

Mr. J. D. Tyson: Yes, Sir

+457. *

UNSTARRED QUESTIONS AND ANSWERS

APPOINTMENT OF MR. JOHN PODGER AS GOVERNMENT MICA INSPECTOR

160. Pandit Nilakantha Das: (a) Will the Honourable the Law Member be pleased to state whether the resolutions of the Delhi Mica Conference of 4th January, 1940, with respect to the appointment of a Mica Advisory Committee, have been implemented? If not, why not?

(b) Was Mr. Podger's appointment made in consultation with representatives of the Bihar mica industry? If not, why not?

(c) Is it a fact that Mr. Podger was transferred to Calcutta during November, 1940, to assist the Geological Survey of India in the purchases of mica on behalf of the American Government? If so, was the Bihar mica industry consulted in the matter? If not, why not?

(d) Is it a fact that when Mr. Podger was offered the post of Government Mica Inspector, it was on condition that he should completely sever all his connections with the firm of Messrs. John Podger and Company, Limited, of which he had been the manager and one of the owners and directors?

(e) Did Mr. John Podger, while accepting the post of Government Mica Inspector, completely sever his connection with the firm of Messrs. John Podger and Company, Limited?

(f) Is it a fact that the firm of Messrs. John Podger and Company, Limited, mica dealers and exporters, Kodarma, Bihar, is still carrying on under the same name, and under the management of the brother of the Government Mica Inspector for Bihar? Is it permissible under the Government Servant's Conduct Rules?

The Honourable Sir Muhammad Zafrullah Khan: (a) No The Advisory Committee referred to by the Honourable Member was to be set up by the Industry itself in each field for definite purposes and the Government of India have not found an Advisory Committee to be needed at present.

(b) Yes

+ This question was withdrawn by the questioner

(e) Yes. The Industry was not consulted as Government had urgently to make the best arrangements possible, and it is in any case questionable whether consultation with the Industry was necessary or even desirable.

(d) Mr Podger was in any case about to retire from business but he was required formally to sever his previous connection with any business interests

(e) Yes

(f) The firm of John Podger and Co , still carries on business Government understand that Mr John Podger's brother has an interest in the firm This is permissible under the Government Servants' Conduct Rules

APPOINTMENT OF MR JOHN PODGER AS GOVERNMENT MICA INSPECTOR

161. Pandit Nilakantha Das: (a) Will the Honourable the Law Member be pleased to state whether Government are aware that the firms of Bihar employed in exporting mica to foreign, especially American, buyers suffer as the result of those buyers being obliged to give their orders to Messrs John Podger and Company, Limited, because of Mr John Podger himself being the Government Mica Inspector?

(b) Are Government aware that since Mr John Podger became Government Mica Inspector, the export business of the firm of Messrs. John Podger and Company, Limited, with America in 1940 very much increased as compared with its business in previous years?

(c) Are Government aware that the appointment to the post of Government Mica Inspector of an individual with identity of name with a firm of mica exporters has influenced foreign buyers to patronise that firm to the detriment of other firms?

(d) Are Government aware that Messrs John Podger and Company, Limited, are entirely owned by the mica mining and dealing firm of Messrs Chatturam Horilram, Limited, who have themselves been the recipients of large orders from the Geological Survey of India? Is it a fact that Mr John Podger is acting as their adviser?

(e) Is it the policy of Government to employ in the purchase of mica, an individual who is either directly or indirectly connected with two of the principal suppliers?

The Honourable Sir Muhammad Zafrullah Khan: (a) No, buyers are not obliged to give orders to any particular firm

(b) Government have no information

(c) Government have no reason to believe that such a consideration would influence any foreign buyer

(d) The answer to the first part is that Government have no information and to the second part is no

(e) No

MICA PURCHASE

162. Pandit Nilakantha Das: (a) Will the Honourable the Law Member please state the methods employed by Government for the purchase of mica by the Geological Survey of India, and state, if any, and if so, how much, was purchased by private treaty?

(b) Is it a fact that the export value of mica through the Calcutta Custom House was approximately one crore and fifty lacs of rupees for

1940? Have Government made any provision for the representation of the industry in the matter of mica purchase?

The Honourable Sir Muhammad Zafrullah Khan: (a) By limited tender No mica was purchased by private treaty

(b) The answer to the first part is in the affirmative and to the second part in the negative I would add that all known mica dealers are invited to tender

MOTIONS FOR ADJOURNMENT

INTERFERENCE BY THE DELHI POLICE IN KHAKSAR ACTIVITIES

Mr. President (The Honourable Sir Abdur Rahim) There was a motion of adjournment in the name of Maulana Zafar Ali Khan which came up yesterday, but the Government Member did not possess information as to the facts and I allowed the motion to stand over till today

The Honourable Sir Reginald Maxwell (Home Member) Sir, I have now obtained information of the incident referred to from which it is quite clear and definite that there was no interference by the police of any kind with any lawful procession conducted by the Khaksars. The organisers of the Khaksar camp in Delhi obtained the advice of the police authorities before their celebrations as to whether they could march in single file and whether they would be allowed to carry *belchas*. The correct advice was given to them by the police officer concerned that marching in single file would be a contravention of the orders issued regarding the performance of military drilling and evolutions under the Defence Rules and that carrying *belchas* would be an infringement of the order still in force in Delhi under section 144 of the Criminal Procedure Code. On hearing this they agreed to follow the advice given to them and to avoid any contravention of the law. There was no dispute of any kind between the local police and the Khaksars.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions - Muhammadan Rural) Is the Honourable Member aware that the U P Government allowed them to march one behind another so long as they were not marking time, i.e., their paces were not regular?

The Honourable Sir Reginald Maxwell: Whatever arrangement the U P Government may make with their local people has no application in Delhi

Maulana Zafar Ali Khan (East Central Punjab Muhammadan) Sir, I may explain that an understanding was arrived at between the Khaksars and the Government of India through the Chief Secretary of the U P Government that these restrictions which had been imposed upon them were modified to this extent that they will be allowed in future to march in single file one behind another, not of course in military formation, and they will be allowed to carry *belchas* also. This is in writing and this agreement was signed by Mir Ahmad Shah, Barrister, on the one hand and the Secretary to the Government on the other.

The Honourable Sir Reginald Maxwell: Secretary to what Government?

Maulana Zafar Ali Khan: Secretary to the U P Government, Mr Mudie. And then in reply to a question the other day the Honourable the Home Member had already declared that as the Khaksars had agreed to follow the instructions of the Government the ban was removed from them in Delhi as elsewhere.

The Honourable Sir Reginald Maxwell: They agreed to abide by the law, namely, the notification under the Defence of India Rules.

Maulana Zafar Ali Khan: Yes, they are abiding by the law, they have not budged an inch.

Mr. President (The Honourable Sir Abdur Rahim) There has been no dispute. That is what the Honourable the Home Member has clearly stated. On the facts stated by the Honourable the Home Member, the case for a motion for adjournment falls. The motion is disallowed.

TREATMENT OF NON-VIOLENT POLITICAL PRISONERS AND UNDERTRIALS

Mr. President (The Honourable Sir Abdur Rahim) Then, there is a notice given by Mr Kazmi, who wishes to ask for leave to move the adjournment of the business of the House to discuss a definite matter of urgent public importance, *viz*, the failure of the Government of India in not giving proper instructions to the Provincial Governments regarding the treatment of non-violent political prisoners and undertrials for such offences under the Defence of India Rules and the consequent maltreatment by the Provincial Governments as described by Dr. Pattabhi and reported in the *Hindustan Times* dated 21st March, page 3.

Maulana Zafar Ali Khan: With due respect to the Chair, I may remind my Honourable friend, the Home Member

Mr. President (The Honourable Sir Abdur Rahim) I have called on Mr Kazmi.

Maulana Zafar Ali Khan: The matter is a very important one.

Mr. President (The Honourable Sir Abdur Rahim) The matter may be very important, but the business of the House is also very important.

I should like to know from Mr Kazmi under which rule instructions are given to Local Governments as regards the treatment of prisoners.

Gazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) An undertaking was given by the Government at the passing of the Defence of India Act.

Mr. President (The Honourable Sir Abdur Rahim) Is it the allegation of the Honourable Member that the instructions given by the Central Government have been disregarded?

Gazi Muhammad Ahmad Kazmi: My submission is that instructions have not been given at all, not that they have been disregarded; and the Government were bound, on account of the undertaking they have given, to give such instructions.

Mr. President (The Honourable Sir Abdur Rahim) Under rule 108?

Qazi Muhammad Ahmad Kazmi: The Honourable the Home Member has again and again said that they have given certain instructions to Local Governments for the proper enforcement of the Defence of India Rules and my submission is that along with those instructions, as given according to the undertaking, they ought to have instructed the Provincial Governments that proper treatment should be given to people who are found guilty of non-violent offences under the Defence of India Act

Mr. President (The Honourable Sir Abdur Rahim) Perhaps the Honourable the Home Member will say what, if any, instructions have been given

The Honourable Sir Reginald Maxwell: No, Sir, there is no duty on the Government of India to give instructions in regard to the treatment of prisoners. That is not a matter which arises under the Defence Rules. The instructions which the Central Government may issue to Provincial Governments relate to the general enforcement of the rules, but the treatment of prisoners after the rules have been put into force against them is a matter entirely of provincial administration. Therefore, the Government of India neither issue such instructions to Provincial Governments on a provincial matter, nor have they any duty to do so. Nor is it shown, I may add, that this duty or failure to perform the duty has arisen at any particular point of time, and, therefore, it could not in any case be said to be a matter of recent occurrence

Mr. President (The Honourable Sir Abdur Rahim) Can the Honourable Member cite any rules which lay such an obligation on the Central Government?

Qazi Muhammad Ahmad Kazmi: I can only say that an undertaking was given by the Government of India as to what instructions they would like to give to Provincial Governments

Mr. President (The Honourable Sir Abdur Rahim) Not as regards the treatment of prisoners. That seems to be denied

Qazi Muhammad Ahmad Kazmi: Where is the line to be drawn? Whenever anything is brought before them, they say they have given instructions, but this is not included in the instructions. My submission is that after giving an undertaking to this House that the rules will be properly enforced it was the duty of the Government of India to give all these instructions, and if they have failed to do so, they are guilty of

Mr. President (The Honourable Sir Abdur Rahim) Will the Honourable Member read the undertaking given to the House?

Qazi Muhammad Ahmad Kazmi: It has been said many times before.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable the Home Member denies that he ever gave any such undertaking

Qazi Muhammad Ahmad Kazmi: The undertaking was given by the Leader of the House

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House). I have given no undertaking whatsoever with regard to the treatment of any prisoners under any circumstances.

Qazi Muhammad Ahmad Kazmi: The undertaking was not in respect of prisoners, but was in respect of the enforcement of the Defence of India Act, and these things arise from the enforcement of the Act and the rules made thereunder by the Government of India, and the undertaking covers everything, every aspect of it. You cannot say that it covers only this part, and not that part of the Act

Mr. President (The Honourable Sir Abdur Rahim) Will the Honourable Member read the undertaking?

Qazi Muhammad Ahmad Kazmi: Just at present I can only orally submit, but my Honourable friend knows it

Mr. President (The Honourable Sir Abdur Rahim) It is denied by the Government Member that any undertaking was given to issue instructions to Local Governments as to the manner in which undertrial and other prisoners under the Defence of India Act and the rules should be treated. The motion is out of order and is disallowed

THE INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

Khan Bahadur Shaikh Fazl-i-Haq Piracha (North-West Punjab : Muhammadan) Sir, I beg to move.

"That the Bill further to amend the Indian Merchant Shipping Act, 1923, as reported by the Select Committee, be taken into consideration."

Before I speak on the motion itself, I should like to thank the Honourable the Leader of the House, and my friend, Mr Tyson, the Education Secretary, who represented the Government on the Select Committee for their favourable consideration of the public opinion and support to the Bill. Although the Bill before the House is a very short one, comprising only two clauses, it will go a long way to provide a little more space which will undoubtedly add to the convenience of the much-troubled pilgrims to the Hedjaz, who hitherto were packed up like herds in pilgrimships.

By bringing this Bill on the Statute-book and, thereafter, bringing it into force, when circumstances permit, the Hajees will be relieved of at least one of the series of troubles, during their voyage to the holy land.

Sir, the Select Committee, I am glad to say, was almost unanimously in favour of the Bill and it took us only a few minutes to sign the report, now before the House for consideration. The only amendment proposed by the Committee is an addition of the commencement clause, as it was considered that it may not be convenient under the present conditions of war to enforce the Act immediately. In fact this was done in accordance with the undertaking given to the Government at the time of the motion for reference of the Bill to the Select Committee.

[Khan Bahadur Shaikh Fazl-i-Haq Piracha]

Sir, in the report it will be observed that my Honourable friend, Mr Boyle, has appended a Note of Dissent. But I should not call it to be so, as he has expressed complete sympathy with the universal desire of the Musalmans for improved amenities offered to passengers making the Haj pilgrimage. I am very thankful to him for that. The only thing which he has pointed out in his note is the consideration of the desire, expressed in many of the opinions for avoiding an increase in fares. I will clear this point shortly.

On a careful examination of the opinions supplied to all of us in two papers, it will be seen that 90 per cent of them are completely in favour of the Bill, and only a few of them, and not a great majority, as observed by Mr Boyle in his note, have only expressed their apprehension of increase in fares and nowhere do they suggest, to drop the Bill in case the fares were increased. So, in a vast majority of the opinions, which I may call unanimous, an earnest desire has been expressed in favour of the Bill and no reference to fares has been made at all, which fact certainly goes in favour of the Bill being passed without any such consideration. There is still a responsible class of persons who have discussed the fare question, and have expressed their opinion that even if there is a slight increase in the fare, the Bill should be passed into an Act very soon. I would like to read a few of such opinions for the information of this House and specially for the information of my Honourable friend, Mr Boyle, in reply to his note "that nowhere in the opinions is the view expressed that Pilgrims will be willing to pay the extra cost for the extra comforts". Sir, at page 2 of Paper No 1, my friend, Khan Bahadur Wilavatullah, Retired Deputy Commissioner Nagpur, an ex-Member of this House, writes thus:

"The shipping companies make huge profits more particularly at such times and they ought not to grudge a little more space to accommodate the pilgrims. It is hoped that they will adjust themselves to it without disturbing the present rates. If they do not do so, fear of slight increase in the fares should not deter us. The pilgrims will pay a little more. The increase must be reasonable and should not be heavy and prohibitive."

Then at page 10 of the same book, the Sind Government remarks thus:

"Moreover the rates of fares are not fixed. They vary from time to time and are fixed on every occasion by each shipping company separately keeping in view (i) the number of Pilgrims intending to travel (ii) the number of Pilgrim Ships of the rival company available at that time. Consequently, the question of space whether 16 square feet or 18 square feet is not likely to affect the rates of fares. However, if any increase in fares on account of the small additional area allotted to each pilgrim becomes absolutely necessary, there should be no objection to it."

Then in Paper No II, at page 15, the Madras Government writes thus:

"The Government of Madras are in favour of the proposed amendment for the increase of space as the inconvenience and hardship caused to the pilgrims on account of the inadequacy of the space already afforded greatly outweighs any hardships that may be caused by an increase in the rates."

Then on the same page, the Collector of Kurnool writes:

"The steamer fares might increase on account of the provision of more space for each pilgrim, but this does not matter at all."

On page 16, the Southern India Chamber of Commerce writes:

"The question of increase of fares is not necessarily intertwined with the proposal of increase of space and my Committee feel that it might be left to the state of competition between the steamship lines that may prevail from time to time."

Then again the Collector of Rannad writes

"If the competition between the different steamship lines does not keep the fares at a reasonable level the pilgrims should not grudge to pay a little more for the extra space."

But in spite of all what I have quoted, I beg to submit that the objection in regard to the possibility of an increase in the fare would not hold, because the Government, although it has complete control over the pilgrim traffic, has no statutory power, to fix the fares. This is a question of demand and supply and merely depends on the circumstances. When there are more than one company in the field to carry Haj traffic, the fares, as we have experienced, must go down. The same company that used to charge Rs 175 from deck passengers on account of the competition with the Scindia Steam Navigation Company came down so low as to charge Rs 50 or Rs 60 even for the return journey. The same company charged about Rs 20 per pilgrim for the same journey during the last season, in spite of the fact that the Government had undertaken to subsidize the company to make good the loss, if any. Therefore, the apprehension of increase of fare should not deter us in any way from supporting the Bill, which means nothing but a little increase in space to the pilgrims on a pilgrim ship. If the Government care to allow healthy competition without showing favour to a particular company, the fares are bound to come down even if the space is increased as the fares now charged are much above the economic rates.

Sir, I need not take any more time of the House, as the Bill has already been debated at length last year on two occasions, on the 4th of February, at the time of motion for circulation, and then again on the 7th of November, 1940, when I had moved a motion for reference of the Bill to the Select Committee. I would commend the Bill to the House, with the request that the House may follow the good example of the Select Committee and let the Bill pass into law.

Mr. President (The Honourable Sir Abdur Rahim) Motion moved:

"That the Bill further to amend the Indian Merchant Shipping Act 1923, as reported by the Select Committee be taken into consideration."

Syed Ghulam Bhik Nairang (East Punjab Muslimanadan) Sir, I rise to support the motion for the consideration of this Bill. The amendments proposed in the existing provisions of the Merchant Shipping Act are really not very drastic, the purport of one of them being to get a little more space for each pilgrim and that of the other being to get the space properly demarcated—the difference between the space at present allotted under the law to each pilgrim and the space which it is desired to secure for them is not much. It is roughly only 2 square feet superficial but the point relating to the space being demarcated is really very important. In the absence of such demarcation a good deal of confusion prevails. Superficial measurements of the space available for the accommodation of pilgrims on ships divided by 16 square feet may give us a wrong idea of the actual capacity of a ship to carry pilgrims, because the space available for the purpose is not exactly rectangular, and if actual demarcation takes place, there is sure to be odds and ends space which would be left practically unused, and consequently the carrying capacity of a ship will be reduced. That is the danger which those who are opposed to the idea of demarcating are trying to avoid, because in that case a steamer which

[Syed Ghulam Bhik Nairang]

may be looked upon as capable of carrying say 1,600 pilgrims may be found, when the space is actually demarcated into so many rectangular spaces to have a carrying capacity of only 1,400, and thus the company owning the ship may be deprived of the opportunity of taking in a larger number of pilgrims and making larger amounts of money. But I would submit that the idea underlying the alleged necessity of the demarcation of the space is to secure reasonable comfort for the pilgrims who travel on those ships. Merely to say that such and such a steamer has a carrying capacity of so many pilgrims and that we have not taken in more than that number does not really solve the difficulties which are encountered by the pilgrims in the matter of securing space for their accommodation. That, as I have tried to point out, creates confusion and what looks on the face of it perfectly reasonable turns out in practice to be most inconvenient and leads to discomfort and even to worse consequences, for instance, ill health, disease and so on. Therefore, the necessity to mark out the space meant for one man or, say, for two men distinctly is quite apparent so that more than two men or more than one man may not be accommodated in the same space. That is really a matter of great importance and real necessity and it must be borne in mind.

As to the objection which was raised in the Note of Dissent of Mr. Boyle, it has been dealt with sufficiently by my Honourable friend, Shaikh Fazl-i-Haq Piracha.

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban). He does not object.

Syed Gulam Bhik Nairang: There may be a possible objection, not that he objects. But that point has been sufficiently dealt with by the Honourable the Mover. When better accommodation will be available and if there is a corresponding rise and not a disproportionate rise in the fares, I think the pilgrim public will not mind it. But that is a matter which, of course, need not be emphasised at the present moment because, as pointed out by the Honourable the Mover with reference to the opinions which he has quoted to the House, that matter can be dealt with in the future, and perhaps on each occasion there will be such a competition between the shipping companies that there may be no rise in the steamer fares at all, so that it need not deter us from effecting the amendments in the law which it is sought to get effected by the Bill. With these few words I support the motion.

Mr. J. D. Boyle (Bombay European) Mr. President I have risen early to make a brief intervention in this debate because, as the Deputy Leader of the Muslim League Party has pointed out, I am quite definitely not opposing the Bill. At the outset, I wish to draw the attention of the House to the fact that when the Bill was first moved and I asked for its circulation, it was not exactly welcomed by my Honourable friends to my right and at that stage the main argument was that the fares would not be increased. There is a speech on record which was made by Sir Abdul Halim Ghuznavi and from which a quotation has been made before in which he made a definite and solemn assertion on the floor of the House that even if the space was increased, Scindia would not increase their

rates under any circumstances. That is denied in the opinions that were received as a result of the circulation motion that I moved. Therefore, to that extent, I think, the Bill has not suffered by circulation. To my mind, it is quite clear that the shipping companies themselves cannot possibly mind whether they take fewer pilgrims at higher rates or more pilgrims at cheaper rates. To them it must be a matter of no consequence. I think the whole point is simply this and that is the point I wanted to make in my Minute of Dissent that, though it is true that two or three individuals have said that even despite the increase in rates, they would still support the Bill, the fact remains that the three Governments concerned who have ports from which pilgrim ships sail have all said the same thing, namely, they will be satisfied with the arrangements provided there is no increase in the fares. There is no use the Honourable the Mover quoting the opinion of the Madras Government because there are no pilgrim sailings from there. Therefore, you cannot get over the fact that the main objection to the Bill, when it is put into practice, will be from the pilgrim who has to pay more. If my Honourable friends are prepared to say that the potential pilgrim of the future years is going to bless them for increasing his fare for the sake of two square feet extra room, it is for them to decide. But, personally speaking, if I was a pilgrim and had to pay a considerable increase in the fare for the sake of two square feet, I should be more inclined to curse them than to bless them.

Besides, no attention has been paid by the Honourable the Mover to the question of the baggage in the Bill. This was an important complaint in all the opinions received. All of them have said the same thing. The Port Haj Committee, Karachi, referring to the baggage question, said that more than one-third of the space allotted to a pilgrim is filled by his baggage and if this question could be solved, a great deal of the inconvenience and trouble experienced by pilgrims would go. I have been led to believe that there are very good reasons why pilgrims do not want to put their baggage in the hold. I am told that it is very roughly treated. Some of their boxes contain food and they are badly handled and sometimes they lose a great deal of their luggage. If that is so, then I am sure everybody would support the Muslim appeal and see that direct action is taken by the shipping companies or the port authorities or whoever is responsible for this thing and see that it is put right. While, therefore, not opposing the Bill in any way, I wanted to bring these two points to the attention of the Honourable the Mover, namely, firstly, that he is absolutely satisfied in his own mind that he will be blessed by future pilgrims and, secondly, whether he won't concentrate in any case on seeing that pressure is brought to bear on the port authorities or whoever is responsible for the present position in regard to baggage which is by far the greatest inconvenience that is experienced by pilgrims today.

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural). Sir, I want to say a few words in support of this Bill. I think this Bill requires no more support after its return from the Select Committee. The Members of the Select Committee and the Government themselves seem to support it. So far as I know, most of the Members that were on the Select Committee were persons who had the personal experience of the inconvenience caused to pilgrims on these ships and the issue, therefore, before the House was whether the space that is being allotted to each pilgrim was sufficient or not. From the opinions that have been received and also from what has

[Mr Lalchand Navalrai]

been decided by the Select Committee it is quite plain and clear that the space that was being allowed was not sufficient and the complaint was that even for the fares that were being received, the space should have been more. Now, that question came up before the Select Committee and they have agreed to the passing of this Bill.

But then there is the question of the cost. There has been some hint given that the cost will be increased. Now, on that point, I would submit if it is a fact that there was too much of over-crowding and the shipping companies were not able to assign proper dimensions of space and the space was less, then in that case the companies should charge no more fares at all because the inconvenience has been done and the inconvenience was covered by the fares that they had given. But the question of fares should not arise at all. The question of fares arises only when the contract is being given to a particular shipping company. If it is left to be given by competition there will be no question of additional cost. In a fair competition fares will be put down and the conveniences will be given. Last year the Scindia Shipping Co., wanted to take this contract and asked for some subsidy. It was not offered to them and they did not take up the contract.

Mr. J. D. Tyson (Secretary, Department of Education Health and Lands) The facts are completely otherwise.

Mr. Lalchand Navalrai: At any rate it was given out in several questions that we have put that this year it was given to Moghul lines on account of the war. On account of the war, they allowed more of the fares but what about the subsidy? A promise has been given to them and they will ask for that promise to be implemented and in that case the question arises, why should any subsidy be given? Why not give the contracts by competition and in that case no question of additional cost will arise. The fares may get even less.

I am told that the B.I. Co., takes passengers through the Persian Gulf to Basrah and also they take people to South Africa. On those lines my information is that they allow more space and less fares and that company is virtually the owner of this Moghul Line. Therefore, I think it will be fair not to give that threat that the fares will be increased, though I find some of the Governments, at least the Sind Government, are not in favour of any cost being raised, though the Honourable the mover has been very generous to say that if any question arises as to any small increase in the fares, they shall have no objection but that of course should be subject to the question that the contracts are given by competition. Sir, I think I need not take any more time of the House and as the Bill has come out of the Select Committee, it should be accepted by the House.

Maulvi Muhammad Abdul Ghani (Trirut Division Muhammadian) There is no question of increase of fares, because the Indian Hajis have to pay more than double the average economic fare. For instance, the Return fare from Malaya to Jeddah is only Rs 290 including food and everything, whereas this year, as pointed out by the Education Secretary, the fare charged from Indian Hajis was Rs 195. The distance from Malaya to Jeddah is three times greater than that from India to Jeddah. If we consider the distance then the fare comes up only to Rs 95 from Indian

Hajis whereas they had to pay Rs 195. Besides, the question of demand and supply should not be ignored. It has been said that the carrying capacity of the ships of Turner Morrison and Co is more than that of Scindia Co, but actually it is not so. It is a fallacy. Actually the carrying capacity is judged from the number of ships put on voyage. Turner Morrison and Co, put only three ships and the Scindia Co also used to put three ships. The carrying capacity of both the ships is the same. Simply on account of the reservation that the Scindia Co should get half of what was allowed to Turner Morrison & Co., they could not undertake to supply their ships as a protest against such reservation. Therefore it was due to this that Turner Morrison and Co, charged an increased fare from the Hajis this year. The usual rate was about 171 and they have to pay 195. Besides this, there is another thing. Turner Morrison and Co has got an enormous profit on account of the high rate charged on the rice sent for the use of the Hajis. On account of the war, the rate has been increased no doubt but we should take into consideration the rates to other countries. For instance, the rate from here to Mauritius has been increased from Rs 20 to Rs 28—i.e., only Rs 8 and in the case of rice from India to Jeddah it has been increased from Rs 14 to Rs 42, three times. They sent one lakh of bags and thus they saved about 24 lakhs more on account of the Hajis. So, these and other similar factors do not permit any increase in the rates. Indian Hajis are already paying much more than they should have done and there are not going to be given considerably increased seat. They are only getting as much seat as was provided before. Their seat is simply marked. Nothing more. With these words I support the motion.

Mr. J. D. Tyson: Sir, the position of Government with respect to this Bill may be very briefly stated. We yield to no one in our sympathy for the pilgrims and we hope that the Bill, if passed, will be productive of all the benefits which the promoter and his supporters expect. But we cannot close our eyes to the fact that the effect of the Bill will be to reduce the carrying capacity of pilgrim ships in two ways. I express no opinion—I can express no opinion—as to the extent to which the carrying capacity will be reduced, although a figure for its own fleet has been mentioned by one of the companies, a figure of 24.8 per cent. I neither adopt that nor do the other thing. I do not know but the carrying capacity must obviously be reduced and it may be very considerably reduced. As I said when the Bill was last before the House, we on the Government Benches have our misgivings with regard to the Bill. Our misgivings are that this reduction may involve an increase in fares. There again, we cannot say that it will involve an increase in fares but if it involves an increase in fares, our misgiving is that the Bill may be more disadvantageous to the pilgrims than the benefits conferred upon them by its clauses will be advantageous. That being so, we feel—as we had these misgivings and we still have them—we feel that we cannot support the Bill. But I recognize that in the opinion of the Members of this House who have a special care for the pilgrims the Bill is desirable and for that reason we shall adopt at this stage, as at the previous stage, an attitude of neutrality, and we shall certainly not oppose the Bill.

The Bill, as amended in Select Committee, contains a commencement clause "It shall come into force on such date as the Central Government

[Mr. J. D. Tyson]

may, by notification in the official Gazette, appoint," and I should make it clear that if the Bill is passed, Government will find it difficult to give effect to the Bill until the shipping position has reached a position of normality after the war. That, Sir, is the attitude of Government and we shall stand neutral as regards the Bill.

An Honourable Member: I move

"That the question be now put."

Mr. President (The Honourable Sir Abdur Rahim) Seth Haji Sir Abdoola Haroon

Seth Haji Sir Abdoola Haroon (Sind Muhammadan Rural) Sir, now that the Select Committee have already endorsed this Bill and Government also agree, it may be mentioned that there has been a general talk that if this Bill comes into force, there is the likelihood that the passage charges may be increased. I do not know when this Bill will come into force, but since the Honourable the Education Secretary just now said that this Bill will not come into force at least till after the war, and as there is a general talk, about the possibility of an increase in the passage money, I offer a few observations.

Sir, as regards the traffic of the Haj pilgrims, according to those who know and those who collect the figures I do not know how, the traffic is going on normally, but according to my experience, generally eight to ten steamers leave Bombay and Karachi for Jeddah in the whole season, say from the month of *Shaaban* to the end of *Ziqaad*, and at that time I find that out of ten steamers eight steamers go with not full complement,—sometimes they carry 200, 300 or 500, passengers and as the Haj season comes nearer, the passengers increase. Only one or two steamers go full, after the *Ramzan* or near the Haj. Therefore, when the Government notify this additional space, we consider very strongly that the fare charges should not be increased. Before the Government agree with the steamship companies that the fares charged, should be increased. I urge that the Government must take this House into their confidence,—first privately, in a committee or in the meeting of the Haj Committee, before increasing the fares. According to my view, the steamship companies will not suffer much. Instead of giving sixteen feet it is proposed to give eighteen feet, and in that way they will suffer only to the extent of one voyage or two voyages hardly. Therefore, automatically the whole passage money should not be allowed to be increased.

Mr. Husenbhai Abdullahe Laljee: (Bombay Central Division Muhammadan Rural) Quite right.

Seth Haji Sir Abdoola Haroon: Before the Government notify this and if the steamship companies ask for increasing the passage money, Government must consult this House before they agree to increasing the fares.

Mr. J. D. Tyson: Sir, I must explain that the Government have no power to fix the fares either in peace time or in war time under the Merchant Shipping Act, we do not fix the fares.

An Honourable Member: You have already fixed the price of a ticket according to the Merchant Shipping Act?

Several Honourable Members from Official Benches: No, no

Seth Hajji Sir Abdoola Haroon: At all events Government might use their good offices in fixing the rate. My request is that since at present the Government of India are not enforcing this Act—and the Honourable Member has already said that not until the war is over, will they enforce this Act,—but when the Government of India do come to enforce this Act, then the steamer companies might approach the Government and tell them, "before you enforce the Act, you must settle this and agree to increase our passage money, and at that time I suggest that the Government should consult this House or at least some of the Honourable Members who are interested, Government must consult them and then and then only should they increase the fare"

Mr. M. S. Aney (Berar Non-Muhammadan) After the war, it shall be "our Government"!

The Honourable Sir Girja Shankar Bapai (Member for Education, Health and Lands) Is the Honourable Member's suggestion this that, before the Government of India brings this Act into force, if there is any request from the shipping companies or intimation from the shipping companies that the fares are to be increased, the Government of India should take some organization—such for example as the Standing Haj Committee of the Legislature into consultation before coming to a decision? If that in his suggestion, I do not see any difficulty in acceding to that

Seth Hajji Sir Abdoola Haroon: I take it that the Honourable Member will note all the points I have mentioned and I thank him for this, and Sir, with these remarks I support the motion

Mr. President (The Honourable Sir Abdur Rahim) The question is "That the Bill further to amend the Indian Merchant Shipping Act, 1923, as reported by the Select Committee, be taken into consideration"

The motion was adopted

Clause 2 was added to the Bill

Clause 1 was added to the Bill

The Title and the Preamble were added to the Bill

Khan Bahadur Shaikh Fazl-i-Haq Piracha: Sir, I beg to move "That the Bill as amended by the Select Committee, be passed"

Mr. President (The Honourable Sir Abdur Rahim) The question is "That the Bill as amended by the Select Committee be passed" The motion was adopted

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) Sir, I move

"That the Bill further to amend the Code of Civil Procedure, 1908 for certain purposes, be circulated for the purpose of eliciting opinion thereon by the 15th July, 1941"

[Qazi Muhammad Ahmad Kazmi.]

Sir, I have given my reasons for introducing this Bill in the Statement of Objects and Reasons and the simple object is to remove one of the hardships to the litigant public through the High Court not being able to give a judgment on a finding of facts. What I want is this. By this Bill we want to give the High Court full liberty in cases where the lower appellate Court has modified or reversed the decree of the trial Court. In such a case, the High Court must be allowed to judge the validity of the judgment for itself on merits. In cases where the two judgments are concurrent, and the High Court, on hearing the case, finds that there has been a serious error on facts also, it must be given discretion to interfere when it thinks fit.

Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the Bill further to amend the Code of Civil Procedure 1908 for certain purposes be circulated for the purpose of eliciting opinion thereon by the 15th July, 1941."

The motion was adopted

THE HINDU MARRIAGE DISABILITIES REMOVAL BILL

Mr. Govind V. Deshmukh (Nagpur Division Non-Muhammadan) Sir, I beg to move

'That the Bill to remove legal disabilities under Hindu aspect of marriage between Hindus be referred to a Select Committee consisting of the Honourable Sir Reginaldo Maxwell, Mr. N. M. Joshi, Syed Ghulam Bhik Nanang, Mr. Akhil Chandra Datta, Mr. Lalchand Navabai, Sardar Sant Singh, Mr. P. J. Griffiths, Mr. R. A. Gopalawwami, Rao Sahib N. Savataj and the mover; and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five.'

Now, Sir, according to the law of marriage amongst the Hindus there are three prohibitions. One is blood relationship, which is called *sapinda*. It means that if persons to be married are related to each other within seven degrees they shall not be married. If there is a marriage within it, it shall be invalid. My Bill is not going to affect the Hindu Law so far as blood relationship is concerned. In other words, persons who are *sapindas* cannot contract a valid marriage even under this Bill. I have kept the old restriction so far as blood relationship is concerned, in tact I have not tried to remove that disability. I am only trying to remove the other disabilities, namely, *sagotra* and *supravara*. What is the meaning of a *sagotra*? I will tell you the meaning of it in the words of Mr. D. F. Mulla in his "Hindu Law".

"Two persons are *sagotra*, that is, of the same *gotra* or family if both of them are descended in the male line from the *Rishi* or sage after whose name the *gotra* is called however distant either of them may be from the common ancestor."

It may be that these persons may be removed for even centuries together. What happens as a matter of fact so far as *sagotra* is concerned, is this. There were *rishis*, these were preceptors. If persons happened to be disciples of the same preceptors they could not contract a marriage. Whatever may have been the reason centuries ago, it cannot hold good today because there are very few persons who follow the same old system which existed centuries ago so far as the Hindu society is concerned. Now-a-days Hindus have hardly any common preceptor, and

those who follow the modern method of sending their boys to schools and colleges cannot have the same preceptor, and so that restriction ought not to prevail. The same can be said of the *pravara*. The *pravaras* are also mentioned after *rishis*. The *gotras* are 8 and *pravaras* are 49 or so. Take, for instance, A and B of the same *gotra* who wish to marry. One may be living in the United Provinces and the other in Madras. For centuries together the families of these two persons may be living in different provinces. Now, why should that *gotra*, that means common preceptor, come in the way of contracting a marriage between them? As I have said, I am not going to touch the blood relationship which exists as a bar, as it has been laid down by the old *rishis*. What I desire now is, having regard to the circumstances that families of the same *gotra* are spread out all over India for centuries together,—nobody has seen each other's face for centuries, why should they be debarred from contracting a legal marriage? This refers to clause 2 (a) of the Bill.

Sometime ago a short report of the Bill was published in the newspapers and I have got a letter from the Bombay Presidency Social Reform Association. The President of this association is Sir Sitaram S Patkar, B.A., LL.B., The Vice-Presidents are the Hon'ble Mr Justice H. V. Divatia, M.A., LL.B., Rao Bahadur D. G. Padhye, M.A., J.P., Dr Kashibai Nowrange, B.A., L.M. & S., J.P. Even among the Secretaries there is a M.A., LL.B., namely, Mr D. G. Dalvi, M.A., LL.B., there is also Mr Y. V. Bhandarkar, B.A., LL.B. and also Mr P. S. Bakhe, B.A., LL.B., Editor, *Social Reform Annual*. I will only read two or three lines and will not read the rest of the letter.

"I hope you will please excuse me for taking the liberty of writing this to you, I just had the privilege of reading the Bill to remove the legal disabilities under Hindu Law in respect of marriage between Hindus that you recently introduced in the Central Assembly. My Association is interested in the question, and you will be interested to know that in 1938 we had in fact drafted a Bill to validate 'sagotra' and 'sapravara' marriages."

But the matter does not rest here. In the Baroda State, there is a codified Hindu Law, where there is a section which validates marriages which are between *sagotra* and *sapravaras*. Nothing has happened, no evil has come, although in the words of my Honourable friend, Mr Bajoria, they have transgressed the Hindu Law. I have stated in my Statement of Objects and Reasons

"Under the Hindu Law, a man cannot marry a girl of the same *gotra* or *pravara*. This rule is not necessary from the point of eugenics."

There can be no view of medical grounds against a marriage between Hindus of the same *gotra*. I can understand medical grounds for objection where marriages are contracted within 3 or 4 degrees of relationship or even up to 7th and that these therefore should be considered invalid. It may lead to physical degeneration. I have said this rule is not necessary from the point of view of eugenics. It is very likely that the rule of *sapinda* of the 7th degree is necessary.

I have referred to another thing in part (b) and that is that persons who belong to several sub-castes of a caste—their marriages shall be held valid. Of course, exactly under the law they cannot be held to be invalid, but the leaders of several sub-castes exercise an authority so as to declare that such marriages would be considered to be invalid. Therefore to get over these two handicaps or prohibitions which so far as the Hindus are concerned stand in the way of contracting matrimonial relationship, I have brought this Bill. There is another aspect. I may be told, as I have said

[Mr Govind V Deshmukh]

in my Statement of Objects and Reasons that there is already a way for persons who belong to the same *gotra* or *pravar* or sub-caste to contract marriages under the Special Marriage Act As I was saying, Sir, there are persons—though such marriages can be contracted under the Special Marriage Act—who have got conscientious objection to marriages under the Special Marriage Act and they at times resort to a procedure which is like this They give the girl who belongs to the same *gotra* as the boy to somebody of a different *gotra* in adoption But such adoptions of girls in Hindu law are invalid So long as the dispute of inheritance does not come into the court, such marriages are all right, otherwise such marriages would be challenged on the ground of invalidity of the adoption and, therefore, of the marriage also The position of the issues of persons who resort to such devices would be really awkward What I have done by bringing this Bill is, to help persons of the same *gotra* anxious to marry under the sacramental form of marriage As a matter of fact, I am helping my Honourable friend, Babu Bajnath Bajoria, to preserve the sacramental form of marriage by removing the bar which ought not to exist in modern times Of course, I am conscious that there, is an amendment of the Government to my motion of Select Committee of this Bill I may say at once that I am prepared to accept the amendment for circulating the Bill for eliciting public opinion At the same time I may be permitted to make one suggestion While I have no objection for circulating the Bill for public opinion, I suggest that the scope of the Hindu Law reforms committee which is sitting here to go into the two Bills which have been referred to them should be enlarged so as to include this Bill also I had a casual talk with some Members of the Committee and I gathered that they had no objection to include this Bill also within the scope of their enquiry

An Honourable Member: Did you canvass their support

Mr. Govind V. Deshmukh: No, I never go and canvass for support, just as Members of the Muslim League do to get documentary evidence This document, the letter which I read just now came to me of its own accord I, therefore, request the Honourable Member to consider whether he could not ask the Rau Committee to deal with this Bill also They would willingly do this job As a matter of fact they have already framed the questionnaire regarding those Bills which deal with maintenance and inheritance I request this Bill also may be referred to that Committee

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That the Bill to remove legal disabilities under Hindu Law in respect of marriage between Hindus, be referred to a Select Committee consisting of the Honourable Sir Reginald Maxwell, Mr N M Joshi, Syed Ghulam Bhik Narang, Mr Akhil Chandra Datta, Mr Lalchand Navalrai, Sardar Sant Singh, Mr P J Griffiths, Mr R A Gopalaswami, Rao Sahib N Sivaraj and the Mover and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five "

The Honourable Sir Reginald Maxwell (Home Member): Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941 "

Sir, I think this motion will commend itself to the House as a proper way of dealing with a measure of this kind which is not only possibly controversial but in any case affects the social and religious customs of the Hindus. Apart from this fact, this is an item in the concurrent legislative list and the House has already accepted the principle that when legislating in the concurrent field, public opinion should be called for before the House deals with the Bill finally.

As regards the request made by the Honourable the Mover that this Bill be referred to Rau Committee which is dealing with measures of social legislation, it was not intended that they should be asked to deal with this particular measure because it is not analogous to any of the groups of law with which they have been asked to deal. Possibly the opinions received on the Bill might disclose some reason for consulting them and in any case I am not averse to consulting Mr Justice Rau as to whether his Committee could usefully deal with this. But in deciding what matters to refer to him, we selected those Bills which made a definite modification of the statutory Hindu law on which we therefore required more expert guidance. This is a matter which, in a way, goes entirely outside the statutory Hindu law and introduces a new principle altogether and, therefore, I am not sure whether they can profitably deal with this at any rate, along with the group of measures which they are now considering. I will, however, consult the Committee as to whether they can usefully help us in it.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved
"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941."

Baba Baijnath Bajoria (Marwari Association Indian Commerce) Sir, I rise to oppose the two motions, the one of my Honourable friend, Mr. Govind V Deshmukh, to refer the Bill to the Select Committee and also the motion for circulation moved by the Honourable the Home Member. This Bill introduces a principle of marriage which is quite repugnant to Hindus. Marriage between the parties of the same *gotra* is unheard of and inconceivable according to the Hindu shastras. I am surprised that my Honourable friend, Mr. Govind V Deshmukh, says that he has not touched the blood relationship in marriages.

Sir, *sigotra* means, as Mr Deshmukh himself says, descendants in the same male line, and if both the parties to the marriage are descended from the same male line there is blood relation and so there can be no marriage whatsoever according to the Hindu Shastras. Those persons who do not believe in the Shastras and do not want to marry according to their dictates have got a remedy in the Civil Marriage Act. But I have got no sympathy with those who will flout the authority of the Shastras and still want to say that they are following the Shastras and want to have a sacramental marriage. They cannot have it both ways. If they have to perform the marriage as a sacrament they have got to follow strictly the rules laid down by the Shastras. If they say they have no faith in the Shastras and want to marry according to their own will or according to what they are pleased to call the present reformed and enlightened views, they are quite at liberty to marry according to the present enlightened law in the shape of the Civil Marriage Act. Sir, I am surprised that the Honourable the Home Member did not oppose this Bill altogether but has

[Babu Baijnath Bajoria]

only moved for circulation of this obnoxious measure I may remind the Honourable the Home Member of what he announced in this House some time ago that this House is not the place for carrying out social reforms.

The Honourable Sir Reginald Maxwell: May I know when I said that?

Babu Baijnath Bajoria: I think on the occasion when Dr Deshmukh brought in a Bill for Dissolution of Hindu marriage, the Honourable the Home Member opposed that motion and said that this is not the place for bringing up social reform measures.

As regards the opinions which will be collected on this Bill, I say that generally Bills are referred for opinion to English educated persons and associations, that is, lawyers, etc. It is an irony of fate that Bills of this kind on which authentic interpretations of the Shastras are required are not referred to learned pundits or associations of pundits who know more about the Shastras than any Bar associations or lawyers may ever claim to know. I will not be long today and probably it will not be necessary for me to speak at length on this Bill because it is a Bill which is repugnant to Hindu ideas. But I will say one word about the committee which has been appointed to deal with Hindu Law in relation to women's rights and probably marriage laws among Hindus. On this committee orthodox Hindu opinion is not at all represented. After all, the majority of the population in this country is still orthodox in spite of the boasting of social reformers and so orthodox opinion should be represented on this committee which deals with their laws. Sir, I oppose the Bill and I should like the House to throw it out at this stage and not to send it to circulation which will only mean loss of time and loss of public money.

The Assembly then adjourned for Lunch till a Quarter Past Two of the

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr Deputy President (Mr Akhil Chandra Datta) in the Chair

Mr. M. S. Aney (Berar Non-Muhammadan) Sir, the motion before the House as moved by my friend, Mr Deshmukh, was for referring the Bill to Select Committee, and to that the Honourable the Home Member has moved an amendment asking the House to circulate it for public opinion. I am here to support the motion for circulation. I have a few remarks to make with regard to the Bill itself.

I have no doubt my friend, Mr Deshmukh, is actuated with a very laudable desire of bringing about certain necessary reforms in our marriage system because people are finding great difficulty in contracting marriages strictly under conditions laid down under the old shastras. That is by itself a laudable object and to that extent everybody will give him the credit. But the question that is raised by his Bill is not such a simple one that this House should proceed straightforwardly to appoint a committee and discuss the matter between themselves for a few days and come here with a report and pass it. As a matter of fact, if the principle of this Bill is to be accepted there is nothing to be done so far as the Select Committee is concerned. Either it should be accepted or thrown out. That

is the position. But we have to see whether, if we do that, there will be a fair support to this kind of reform which my friend wants to bring about in the existing marriage system of the Hindus. Among what are considered as the essential ingredients of the Hindu marriage, there are three conditions laid down by the Smritis from the days of Manu to the present day, notwithstanding various other changes in the marriage forms these three conditions have been regarded as of paramount importance, namely, the boy and the girl must not belong to the same *gotra*, they must not have the same *pravara* and they must not be of the same *sapinda*. These are the conditions laid down there—that they must not have the same *gotra* and the same *pravara*. One of my friends asked the question of my friend, Mr Deshmukh, what is this *pravara*? I do not know if the time is enough to explain this thing to my friend—it will take a good deal of time, because there are few among the Brahmins themselves who are in a position to explain clearly what difference this *pravara* makes and how it is to be distinguished from the *gotra*, but one of the tests given is this, and that is laid down in one of the text books it defines *pravara* as

"Gotra pravartakasya nishchayabartukoyam rishigrahanum."

Group of Rishus distinguishing the *Gotra*—Rishi, i.e., the propounder of the clan from another.

Those names of *nishis* which enable a man to distinguish definitely one *Gotra* from another. Each *gotra* has got three or four *nishis* or five *nishis* as *pravaras*. If these *pravara nishis* are the same, then the *gotra* may be considered to be the same, but if the names of the *pravaras* themselves are different then the *gotras* although they may have the same name must be understood as different. The *pravaras* have been mentioned with a view to enable a man to see whether what appears to be an identical *gotra* is really identical or is a separate or a distinct *gotra* or not, and so in artificial system has been created in order to distinguish a seeming identity between *gotras*, and the reason was that the importance of ascertaining the *gotra* was extremely essential for the sake of permitting one girl to be married to another man. The greatest emphasis was placed upon this point, that no woman belonging to one *gotra* can have a bridegroom married to her belonging to the same *gotra*. Sometimes the name of the *gotra* appears to be the same. It may be that the girl comes from the Gautam *gotra*, and it may be that the boy also comes from the Gautam *gotra*, but whether the Gautam *gotra* from which the girl comes is the same Gautam from whom the boy claims descent or not is to be known from the fact whether the *pravaras* of the Gautam of the girl are the same as the *pravaras* of the other Gautam. If there is a difference between them, then we can take it that these two Gauthams are two different entities and not the same and the marriage between them is legal. That was one of the main reasons why an artificial list of *nishis* has been appended to each *gotra*. It is a very complicated matter into which this House need not go, and I really think it is certainly not one on which the Select Committee can come to any off-hand opinion.

The real point is this a certain system has come into existence and people have been following that system for not only hundreds of years but for thousands of years. It is true that on account of certain changes in the present structure of society, which this new order has brought about,

[Mr M S Aney]

some of these conditions are creating difficulties in certain cases in getting suitable bridegrooms for brides or suitable brides for bridegrooms, and therefore some people are feeling the necessity to do away with these conditions if possible. It is true that facilities are already provided for on account of the passing of the Special Marriage Act and so on, but even in that case if a man is a party to a special marriage he has to dispose with all the Vedic and ceremonial rites which have to be performed in accordance with religion. Therefore there is an earnest desire amongst people that they should be able to observe all these ceremonial and religious rites at the same time without observing these rigid conditions. A system of compromise is gradually cropping up. My friend, Mr Deshmukh, belongs to that school which wants to stand for those who want to compromise religious practices to satisfy the exigencies of society. My friend, Mr Bajaria, stands for the rigid school—he compromise with anything at all—the shastras are there either follow them or say "I owe no allegiance to them". There are these two schools. I do not know ultimately what school is going to survive, but the struggle is going on, and knowing that there is a real struggle like that, it would be unwise for this House to adopt a motion like a reference to select committee, without first ascertaining as to what is the amount of support which legislation like this can receive from that big class which is really following the orthodox practice. I also agree that on Bills of this nature a special attempt should be made by the Government to ascertain the opinions of those who really believe in these shastras. It is perfectly true that the so-called educated class which is in fact chafing against the old rules and restraints placed by the shastras ought not to be the only class which is consulted by this House, and the big volume of opinion to which this is circulated ultimately shows nothing more than a reflection of what we have been thinking ourselves. If we really want to know what the people think, then you have to go beyond that circle and ascertain the opinion of all people. There are Mutts and there are Acharyas, and all those people should be consulted. We only know the names of a few professors, doctors or lawyers, but they form an insignificant fraction of the large class of people outside who know the Shastras, who believe in and follow the Shastras, and, therefore, it is absolutely necessary for us to know their views. My friend wants to kill two birds with one stone. He not merely wants to bring about a little reform by removing the difficulties of *Pitara*s and *Sagots*, but he wants to bring about reforms in order to introduce inter-marriages in sub-castes also. The first portion of the Bill affects what may be called the higher classes who have got something to do with the *Gotra* and *Pitara*, but there is another large class of Hindus who have nothing to do with *Pitara* and *Gotra*. Those who do not belong to the twice born classes have nothing to do with *gotra* and *pitara*, while the second thing will affect them most, because each caste has within its fold several sub-castes. There is no question of religion. If any reform like that is to be introduced, in what spirit it will be received by them, it will be difficult to say. We have, therefore, to ascertain their opinion. But surely because they are not represented in this House to speak for them we cannot say that they need not be consulted or that their opinions need not be ascertained. In fact, if we want to keep up the show of democracy and if we want to proceed on democratic lines, then we should not hesitate to approach all classes of people and ascertain their opinions,

sift them properly and then come to certain conclusions. For these reasons, I think the Honourable the Home Member's motion for circulation is one which will command itself to the whole House.

Seth Sundaril Daga (Nominated Non-Official) Mr Deputy President, I rise to oppose this Bill introduced by my Honourable friend, Mr Deshmukh. It is repugnant to the personal law of the Hindus—Shaastic as well as customary. The wisdom of the prohibition of *Sagotra* marriage is upheld by modern investigations even in Botany and the science of pedigree in animals. Sir, investigations in both the fields have established beyond doubt that fertilization between male and female flowers from the same plant and the crossing of animals which are issues of the same parents, have unsatisfactory results. Why then try to have similar difficulties introduced by *Sagotra* marriage? Sir, I, therefore, with these few words oppose this Bill.

Maulana Zafar Ali Khan (East Central Punjab Muhammedan) Sir, I rise to oppose this Bill. With a slight modification I am for its circulation, but on principle I am against it. There is a tendency in this modern age to flout religion and dispense with the necessity of religion. This is a very dangerous tendency, and the sooner we the peoples of India join together in opposing this tendency the better for all of us and for our moral development. Sir, what is the ultimate sanction of law? The ultimate sanction of law is public opinion. Now, in India the overwhelming majority of the Hindus follow the path of Sanatan Dharma, but a band of reformers, honest fellows no doubt,

Mr. Govind V Deshmukh: Thank you

Maulana Zafar Ali Khan: are bent on opposing the Sanatan Dharma, but I think they will never succeed in their attempt. Sir, the Sanatan Dharma has been in existence in this country for the past six thousand years. During all this time the Shastras have been in existence, the Vedas have been in existence, and, in spite of so many revolutions and changes that have come about, the Shastras have remained the same, the Vedas have remained the same, and my friend, Mr Bajoria, also remains. Millions and millions of people believe in marriage and that as a sacramental affair. Marriages are made in heaven, as the Christian saying goes, but these amiable gentlemen who want to bring about reform in Hindu religion tell us that the present social order as guided by religion should be changed. If they want a change, then why not, as has been pointed out by Mr Bajoria, be satisfied with the civil marriage law. Let those who do not believe in the Vedas, or in the Shastras, let those who do not believe in orthodox Hinduism, go to a court of law and declare there "I do not believe in religion at all, I love this woman, and she shall be mine".

Mr. M. S. Aney: The law is now wide enough

Maulana Zafar Ali Khan: Not wide enough to satisfy men like my friend, Mr Deshmukh.

Sir, I am a believer in religion myself, and as respecter of the religious sentiments of others,—because you see I believe in Pakistan, and in

[Maulana Zafar Ali Khan]

Pakistan we shall have to protect the rights, and prerogatives and even the prejudices of Hindus,—we will certainly do it. We cannot get away from the fact that there are thirty crores of Hindus in India, and, therefore, we must respect their sentiments. We must have belief in our faith even against reason. Sometimes reason leads us astray, and it is faith that directs us on to the right path. So I oppose the Bill with the modification that it be circulated for eliciting public opinion.

Mr. Govind V. Deshmukh: Sir, I was thinking that I would get some support at least from my friend, Mr. Bajoria, for my Bill. He may have opposed Dr. Deshmukh's Bill, and there were reasons for it, because it involved a question of money being taken from one person's pocket and put into another's. But here I am not taking money to put into anybody's pocket. This was a simple matter, and I thought my friend, Mr. Bajoria, would certainly support me, but I find he is opposing me. It has been suggested that I am flouting religion. I am certainly not doing anything of the kind. Religion comes in when the relations of man with God are concerned, otherwise it is merely a customary law. Nobody can say that any community's law is immutable for all time. According to the circumstances and conditions that crop up from time to time, if a society does not adapt itself to those circumstances and conditions, it is liable to get extinct. Now, the reason for my bringing forward this Bill is this. I don't wish to read all the books now, but in Banerjee's Hindu law of Marriage or Sankar's Hindu Law it is stated that these circumstances or restrictions have gone to this extent that amongst the *Kulins* in Bengal it has led to incestuous marriages. You will find it is the same thing in some other communities also, because they find great difficulty to contract marriages according to the rules. There are educated men but they find it very difficult to get suitable girls suited to their standard of education, and *vive versa*. When a society is confronted with a position like that, it is necessary that there should be some relaxation of rules. First of all, what is a *sagotra*? I have already given the meaning of a *sagotra*, but different commentators differ. Of course, I have given what according to one jurist the meaning of it is. If one were to refer to Sankar Sastri's 'Hindu Law', one would find that he gives a different meaning. He says

"*Gotra* is derived from 'go' a cow and 'tra' to protect and means that which protects the cow, such as a pastureage."

After some further discussion, he says

"Assuming that a single family established a new village, and bearing in mind that pasture, and a reservoir of water indispensable in a tropical country, are not divisible according to Hindu Law, we may take the words *sagotra* and *samanodaka* to mean all members of the family holding in common the pasture and the reservoirs of water used for domestic or agricultural purposes."

So, I submit that the interpretation is such that it gives a good deal of latitude for coming to some sort of understanding in these changed circumstances of the Hindu Society, and the interpretation of it is not so rigid as to preclude any interference with it. This rule about prohibition in the case of *sagotra* is only recommendatory and not obligatory. You will find at page 80 Sankar Sastri in his book on Hindu Law says

"*Aspunda cha ya matu-rasgotra cha ya pitu
Sa pradyasta duiyatnam darkamani maithunam*"

Which means—'She who is non-sagotra also (non-sagotra) of the mother, and non-sagotra also (non-sapinda) of the father, is commended for the nuptial rite and holy union among the twice-born classes.'

According to Sarkar Sastrī it is only 'commended', it is not an obligatory rule. Other lawyers have also stated that these are moral precepts. It is a law of Honour that persons may comply with. If it had rested there that these were moral precepts or it would not have invalidated marriages according to the present rulings laid down by the courts, then it would have been a quite different thing. But it is not merely that those are moral precepts, but they render marriages contracted invalid. It is, therefore, that I am suggesting that this reform should be introduced. Of course, as I have said, I am not pressing that this Bill should be referred to a Select Committee, I will not stick to that motion. (Interruption.)

I have already said that a good deal of public opinion should be collected, and I have not the least doubt that public opinion will be in my favour. I do not say that pandits should not be consulted. I forget at present the names of the pandits who belong to a body—this body is at Lonavala—my Leader, Mr Aney, very likely remembers the name. They have suggested that such a measure should be introduced. It is a body consisting of learned pandits, but because they happen to differ from persons like Mr Bajoria, it is no use condemning them by calling them reformers. You find fault with a person because he happens to have advanced views, you give a dog a bad name and hang it. He is a reformer and therefore his interpretation should not be accepted—that is the kind of argument that these people use. Examine his views on merits. My submission is that men like Mr Bajoria, if I may say so, know very little about these laws.

Babu Bajnath Bajoria: What do you know?

Mr. Govind V. Deshmukh: When we rose for lunch, he tells me, "All this is against Vedas". I said to him, "The law of marriage is not to be found in the Vedas at all. It will be found in Manu Smriti, Yagnya Valkya Smriti". (Interruption.) So, his opposition is not an opposition based on what is in the Sastras and what is not in the Sastras. Some have an idea that what they think is in the Sastras, and because Mr Deshmukh has come out with a Bill with which they do not agree, they say that it is not to be found in the Sastras. As I have said, I accept the amendment for circulation.

Mr. Deputy President (Mr Akhil Chandra Datta): The question is: "That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941."

The motion was adopted.

THE DISSOLUTION OF MUSLIM MARRIAGES (AMENDMENT) BILL

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) Sir, I move for leave to introduce a Bill to amend the Dissolution of Muslim Marriages Act, 1939, for certain purposes.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That leave be granted to introduce a Bill to amend the Dissolution of Muslim Marriages Act, 1939, for certain purposes"

The motion was adopted

Qazi Muhammad Ahmad Kazmi: Sir, I introduce the Bill

THE PROFESSIONS TAX LIMITATION BILL

Sir F. E. James (Madras European) Sir, I move for leave to introduce a Bill to limit to a maximum of Rs 50 per annum the amount payable in respect of any person by way of tax on professions, trades, callings or employments

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That leave be granted to introduce a Bill to limit to a maximum of Rs 50 per annum the amount payable in respect of any person by way of tax on professions, trades, callings or employments"

The motion was adopted

Sir F. E. James. Sir, I introduce the Bill

THE INDIAN EVIDENCE (AMENDMENT) BILL

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) Sir, I beg to move for leave to introduce a Bill further to amend the Indian Evidence Act, 1872, for certain purposes

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That leave be granted to introduce a Bill further to amend the Indian Evidence Act, 1872, for certain purposes"

The motion was adopted

Qazi Muhammad Ahmad Kazmi: Sir, I introduce the Bill

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) Sir, I beg to move for leave to introduce a Bill to simplify the procedure in appeals to the Federal Court

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That leave be granted to introduce a Bill to simplify the procedure in appeals to the Federal Court"

The motion was adopted

Dr. P. N. Banerjea: Sir, I introduce the Bill

The Assembly then adjourned till Eleven of the Clock on Saturday, the 22nd March, 1941

LEGISLATIVE ASSEMBLY.

Saturday, 22nd March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

REPORT OF THE ALIENS ADVISORY COMMITTEE.

458. *Sir F. E. James: Will the Honourable the Home Member be pleased to state

- (a) if the Aliens Advisory Committee has completed its work, and if not, when its completion is expected,
- (b) how many enemy aliens have been released as a result of the Committee's classification and recommendation, and
- (c) how many enemy aliens are now (i) in internment camps, and (ii) on parole?

The Honourable Sir Reginald Maxwell: (a) Yes

(b) Of 389 recommendations so far examined, 32 were unanimous recommendations for release. In the case of these 32 persons, orders for the release of 24 have issued, and cover the release of 12 adult and 2 minor dependants of these persons. In the remaining 8 cases, the recommendation is either conditional upon employment being obtained or requires further examination for other reasons

(c) Of 2,955 enemy subjects, male and female, in India, 786 are interned, 489 are restricted to parole centres under certain disciplinary conditions, and the balance, 760 males and 970 females (mostly missionaries, nuns, and refugees) are at liberty but subject to such of the restriction, prescribed in Part II of the Enemy Foreigners Order, 1939, as Provincial Governments, having regard to the features of each case, have considered it necessary to retain

Maulana Zafar Ali Khan: With reference to part (c) of the question, do the enemy aliens include only Italians or Germans also?

The Honourable Sir Reginald Maxwell: They include Germans also

Mr. Lalchand Navalrai: At what places are they interned?

The Honourable Sir Reginald Maxwell: The internment is at Ahmednagar

Mr. Lalchand Navalrai: Is it a fact that at Ahmednagar the price of food-stuffs has gone up?

The Honourable Sir Reginald Maxwell: I am not aware of that.

Dr. F. X. DeSouza: Is it a fact that the concentration of enemy prisoners in certain parts of the country, chiefly in Mysore, has rendered living in those places extremely dear, and there are complaints from the local people, both at Ootacamund and Bangalore?

The Honourable Sir Reginald Maxwell: I have no information on that point.

Dr. F. X. DeSouza: Will the Honourable Member obtain information and try to rectify the position if possible?

The Honourable Sir Reginald Maxwell: What is the Honourable Member's suggestion? That the enemy aliens should be given less to eat?

REFUSAL OF THE PRESIDENT, CANTONMENT BOARD, ALLAHABAD, TO GIVE A COPY OF THE BUDGET AND FURNISH CERTAIN INFORMATION TO THE PRESIDENT, CANTONEMENT TAX PAYER'S ASSOCIATION, ALLAHABAD.

459. *Qazi Muhammad Ahmad Kazmi: (a) Will the Defence Secretary be pleased to state whether the budget of a Cantonment Board is to be kept as a confidential document, or is the public entitled to have a knowledge of it?

(b) If the public have got a right to have a knowledge of it, what are the ways in which that knowledge can be obtained?

(c) Is it or is it not a fact that the President of the Cantonment Tax-payers' Association, Allahabad—which office is at present occupied by Lala Manmohan Das, a premier, *Rais* of Allahabad—had in connection with the recent proposals for the imposition of professional tax, enquired of the President of the Cantonment Board the reasons therefor and for a copy of the budget for that purpose, and the President of the Cantonment Board refused to give a copy of the budget and informed the President of the Association that no further communications from him will be answered?

(d) If the answer to part (c) be in the affirmative, will the Honourable Member please state whether the answer of the President was in order? If it was not, what steps do Government propose to take to rectify such mistakes?

(e) What are the qualifications for the members of the public which entitle them to obtain information regarding the matters of the Cantonment Board which are intended to be open to the public?

Mr. G. M. G. Ogilvie: (a) The Cantonment budget estimates are not confidential documents.

(b) Either through their elected members or by being present when they are discussed by the Board. In this connection attention of the Honourable Member is invited to sections 42 and 242 of the Cantonments Act, 1924.

(c) and (d). Yes.

(e) No qualifications are necessary.

REFUSAL OF THE CANTONMENT BOARD, ALLAHABAD, TO GIVE WATER CONNECTIONS TO HOUSES IN THE CANTONMENT AREA.

460. *Qazi Muhammad Kazmi: (a) Will the Defence Secretary please state who is responsible for the water supply to the inhabitants of the Cantonment area in Allahabad, the Cantonment Board, or the Military Engineering Service?

(b) Is it or is it not a fact that while the Municipal Board at Allahabad is bound to give water supply to every house assessed to a rent of Rs 96 per annum, and supply water to houses of lower rental, the Cantonment Board at Allahabad has refused to give water connections to any person, or to at least the majority of the applicants of all grades of rentals, for the last three years?

(c) If the answer to parts (a) and (b) or any part of part (b) above, be in the affirmative, what is the reason for it, and have Government considered the means of meeting this grievance of the public in this direction?

Mr. G. M. G. Ogilvie: (a) Water is supplied by the Military Engineer Services

(b) and (c) A few connections have been refused in the cantonment owing to low pressure of water in the mains. The Board are considering taking a bulk supply under section 234A of the Cantonments Act

TRANSFER OF CERTAIN AREAS UNDER THE CONTROL OF THE CANTONMENT BOARD TO THAT OF THE MUNICIPAL BOARD, ALLAHABAD

461. *Qazi Muhammad Kazmi: (a) Will the Defence Secretary please state whether it is a fact that the Cantonment Area in Allahabad is scattered in several parts, some of the parts are surrounded by the Municipal Area, for example, Old and New Lascar Lines, Kydgunj, Baghara and Ghalla Bazar and others situated to the east of Railway line, and are altogether inhabited by civil population, and have for a long time ceased to be of any use to military authorities?

(b) Is it or is it not a fact that areas mentioned in part (a) above receive scant attention from the Cantonment Board and the inhabitants living there have far less amenities of life available to them than those available to the inhabitants of neighbouring municipal area?

(c) Are Government aware that the inhabitants of these areas have been agitating for the transfer of these areas to the Municipal Board for a long time, and the Municipal Board, Allahabad, is prepared to take them?

(d) What are the reasons that the Cantonment authorities in spite of these demands, have been delaying the matter since a long time?

(e) Have Government considered the advisability of taking steps for a long time, and the Municipal Board, Allahabad, is prepared to take

Mr. G. M. G. Ogilvie: (a) Yes Except New Lascar Lines in the Fort Cantonment and certain houses in the Chatham Lines occupied by military personnel, these areas are inhabited by Civil population

(b) No

(c) An application was recently received from certain residents of the Cantonment With reference to the latter part of the question Government have no information

(d) and (e) The excision of areas not required by the military authorities is under the consideration of Government

Qazi Muhammad Ahmad Kazmi: Will the Honourable Member be pleased to state how long this consideration will continue and when a final decision will be arrived at?

Mr. C. M. G. Ogilvie: I am unable to give an accurate forecast. The matter presents an extreme degree of complication, but possibly in this case, which is more advanced than others, the next few months should see a final solution.

**PROPOSED IMPOSITION OF A PROFESSIONAL TAX BY THE CANTONMENT BOARD,
ALLAHABAD.**

462. "Qazi Muhammad Ahmad Kazmi: (a) Will the Defence Secretary please state whether it is a fact that the Cantonment Board, Allahabad, have recently decided to impose a professional tax on all residents of the Cantonment area?

(b) Is it or is it not a fact that the incidence of taxation is not on a practical trade or calling but on the separate items of a trade or calling, and are Government aware that this in case of general merchants and other traders would weigh very heavily?

(c) Are Government aware that the Cantonment area at most of the places being sparsely populated, small traders have to keep a large variety of goods for earning a very modest income?

(d) Is it or is it not a fact that no such professional tax is being imposed by the Allahabad Municipal Board?

(e) Have Government considered that the imposition of such a taxation would very much handicap the traders in the Cantonment area, as they would not be able to compete with traders in the neighbouring Municipal area and would ruin their trade?

(f) Have Government considered the advisability of taking steps to get the imposition of this tax stopped?

Mr. C. M. G. Ogilvie: (a) to (f) The Government understand that the question of the imposition of a professional tax is under the consideration of the Cantonment Board. As, however, no proposals have yet been received the latter parts of the question do not at present arise.

Qazi Muhammad Ahmad Kazmi: Is the sanction of the Central authority required for the purpose of this taxation?

Mr. C. M. G. Ogilvie: Yes, Sir

Qazi Muhammad Ahmad Kazmi: Have Government received any such application from the Cantonment Board?

Mr. C. M. G. Ogilvie: No, Sir I have informed the Honourable Member that the proposals to raise the taxation have not yet been received by Government

Qazi Muhammad Ahmad Kasmi: Is it a fact that they cannot be made final without the sanction of the Central Government?

Mr. C. M. G. Ogilvie: They cannot be.

**COMPLAINTS OF MALPRACTICES AGAINST MEMBERS OF THE CANTONMENT BOARD,
ALLAHABAD.**

463. *Qazi Muhammad Ahmad Kasmi: (a) Will the Defence Secretary please state whether it is or it is not a fact that there are general complaints against the members of the Cantonment Board, Allahabad, that some of them take contracts of the Board in the names of their relatives, while others connive at these misdeeds?

(b) Is it or is it not a fact that the Cantonment Tax-payers Association brought this matter to the notice of the Secretary, Local-Self Government Department, United Provinces, supported by certified copies of applications and statement of a member of the Cantonment Board establishing close relationship of the member with a contractor of the Cantonment Board, who is a nephew of the member and forms joint family with him, but no action has as yet been taken against either of them?

(c) Have Government considered the advisability of instituting an enquiry into the matter and take proper action against the members who indulge in such practices?

Mr. C. M. G. Ogilvie: (a) and (c). No general complaints have been received. One complaint has been received by the Government of India and enquiries are being made.

(b) Government have no information.

Dr. Sir Ziauddin Ahmad: I think this question is in itself a complaint.

Mr. Govind V. Deshmukh: Is the complaint now under the consideration of Government?

Mr. C. M. G. Ogilvie: One complaint has been received and is being examined. There have been no general complaints as to the corruption or inefficiency of the members of this Board.

Mr. Govind V. Deshmukh: Will the Honourable Member make inquiries as regards part (b) of the question?

Mr. C. M. G. Ogilvie: No, Sir, it is no concern of the Government of India.

POLICE WARNING TO MR BABURAO PATEL, EDITOR *FILMINDIA*, BOMBAY.

464. *Mr. Govind V. Deshmukh: Will the Honourable the Home Member be pleased to state if it is a fact that Mr Baburao Patel editor of *FilmIndia*, Bombay, was called by the C.I.D. to its office and given a warning under the instruction of the Government representative on the Film Advisory Board? What were the reasons for giving such a warning?

The Honourable Sir Reginald Maxwell: Yes, Mr Baburao Patel had informed several persons that he had in his possession, or had had access

to, a confidential Government document and that he proposed to publish it or to make use of it for the purpose of an article.

Mr. Govind V. Deshmukh: Was that warning based on sound grounds or was merely a bluff?

The Honourable Sir Reginald Maxwell: It was considered advisable to draw the gentleman's attention to the risk he ran

THE FILM ADVISORY BOARD AND FILMS PRODUCED BY IT.

465. *Mr. Govind V. Deshmukh: (a) Will the Honourable the Home Member be pleased to state the films produced so far by the Film Advisory Board to fulfil the original objects of the Board? Who are the members of the Board and what are their qualifications? Are they elected or nominated to the Board?

(b) Are Government prepared to compose this Board of members who are educationists and publicists and are conversant with mass psychology?

The Honourable Sir Reginald Maxwell: (a) The Film Advisory Board has not hitherto produced films but has advised Government regarding their production I lay a statement on the table showing

(i) the films produced by Government under contract with various producing companies, and

(ii) the members of the Board The qualifications required of the members are knowledge of the film industry on the producing or distributing sides and, in the case of Mr. Smith, general business experience in the control of expenditure, etc The members of the Board were nominated

(b) No The function of the Board is to advise Government on technical questions relating to the production and distribution of films

(i) *Films produced by Government under contract with various producing companies —*

(1) "A Day with the Indian Army"
(2) "He's in the Navy Now" (Royal Indian Navy)

(3) "School for Soldiers" (Training for emergency commissions at the Military Academy, Dehra Dun)

(4) "Plane of Hindusthan" (No 1 Squadron, Indian Air Force)

(5) "The Road to Victory"

(6) "Making Money" (Showing the evils of hoarding)

(7) "The Voice of Satan" (German propaganda methods)

(8) "With the Indian troops in Malaya"

(9) "Indian Arms for Victory" (Tour of the Roger Mission round the munition factories)

(10) "Whispering Legions" (Showing the effects of spreading unfounded rumours)

(11) "Rousing Air Fighters"

(12) "Drums of the Desert" } British films "dubbed" in Indian languages.

(13) "The British Navy" }

(14) "Canada's War Effort" (Dubbed in Indian languages by arrangement with 'March of Time').

Several other films are nearing completion and the Film Advisory Board's own camera unit, under Mr. Shaw, is now producing.

(ii) *Composition of the Film Advisory Board*

Chairman—Mr J B Wadia

(Wadia Movietone Co., Bombay)

Vice Chairman—Mr C B Newbery,

[20th Century Fox Corporation (India) Ltd., Bombay]

Members—

Government Representative—Mr N W Smith, J.P.,
(Times of India, Bombay)

Mr M B Bilmoria,

(Messrs M B Bilmoria and Co., Bombay)

Rai Bahadur Chunilal,

(The Bombay Talkies Ltd., Bombay)

Mr Harish Chandra,

(Motion Picture Distributors, Delhi)

Mr B Chimanlal Desai,

(National Studios Ltd., Bombay)

Khan Bahadur Gulam Dossani,

(Dossani Film Corporation, Calcutta)

Mr. M A Fazalbhoy,

(Photophone Equipments Ltd., Bombay)

Mr Kapurchand Mehta,

(Messrs Kapurchand Ltd. Bombay)

Mr Jagat Narayan,

(Jagat Talkies Distributors, Delhi)

Mr N Dalsukh Pancholi,

(Empire Talkie Distributors Lahore).

Mr B K Pai,

(Famous Pictures, Ltd., Bombay)

Mr A Rowland-Jones,

(Metro-Goldwyn Mayer (India) Ltd., Bombay)

Mr G F Reardon,

(British Distributors (India) Ltd., Calcutta)

Mr M T Rajan,

(Vel Pictures, Ltd., Madras)

Mr V Shantaram,

(Prabhat Film Co., Poona)

Mr A A. Walter,

(Warner Bros First National Pictures, Bombay)

Mr B K Khemka,

(East Indian Film Co., Calcutta)

Mr. Govind V. Deshmukh: Who is this Mr. Smith and what are his qualifications?

The Honourable Sir Reginald Maxwell: I said, general business experience.

Mr. Lalchand Navsrai: How are these members of the board nominated? By what process and by whom?

The Honourable Sir Reginald Maxwell: They are selected from among the most prominent persons in the production and distributing trade

Mr. Lalchand Navalrai: By whom are they nominated?

The Honourable Sir Reginald Maxwell: They are nominated under the authority of Government.

Mr. Lalchand Navalrai: Who directly nominates them?

The Honourable Sir Reginald Maxwell: It can be said that they are nominated by Government and so it is a Government board

Mr. Govind V. Deshmukh: Are there on this board any producers of films who are foreigners or who have got foreign business houses in Bombay or elsewhere?

The Honourable Sir Reginald Maxwell: I should like to have notice of that question I do not think there are but there may be an American

Mr. Govind V. Deshmukh: May I take it that the original objects of the board are to educate the countries overseas and to help war efforts?

The Honourable Sir Reginald Maxwell: Not quite Primarily, they are to advise Government in the production of films both internal and external.

Mr. Govind V. Deshmukh: What particular use have Government in mind when it says that these films are meant for internal and external use? What is the object in producing these films? For what use are they intended to be applied?

The Honourable Sir Reginald Maxwell: For publicity of various kinds and more publicity

Mr. Govind V. Deshmukh: May I know if Government have got any particular interest in mind? What is the sort of publicity they want?

The Honourable Sir Reginald Maxwell: The films that are produced cover a number of Government activities, both war effort and the performance of Indian troops in the war, then training and so forth, and the activities of various Government Departments and of the country generally. In fact, it is an effort to harness the film industry for the purpose of publicity, which was not hitherto done

Mr. Govind V. Deshmukh: May I suggest to Government that it should have principally in view the idea of showing the war effort within the country rather than the education of countries overseas?

The Honourable Sir Reginald Maxwell: No, both the objects are important

Mr. Lalchand Navalrai: May I know if the power of nominating this board has been delegated to an officer and it is left to him entirely to select any one whom he likes?

The Honourable Sir Reginald Maxwell: Any officer whom the Government employs for the purpose is under the control of the Government and the Government are responsible ultimately.

Mr. Govind V. Deshmukh: May I know whether before these films are sent abroad for the education of other countries, these films are exhibited in India and approved by the Indians in general?

The Honourable Sir Reginald Maxwell: The films sought to be produced for exhibition in other countries have not yet been completed. That is why Mr. Shaw was brought out.

INDIAN FILMS FOR THEATRICAL EXHIBITION BY THE BRITISH MINISTRY OF INFORMATION

466. *Mr. Govind V. Deshmukh: (a) Will the Honourable the Home Member be pleased to state which Indian producers have so far secured production contracts and for which films? And do these producers occupy any positions on the Board or are represented on it?

(b) Were any of these films sent to the British Ministry of Information, and were these returned with the remark that they were too amateurish for theatrical exhibition?

The Honourable Sir Reginald Maxwell: (a) I lay a statement on the table.

(b) Two films, made before the formation of the Film Advisory Board, were described as too amateurish for general theatrical release in England but both have been successfully shown throughout India and, when actually shown in England, were very favourably reviewed by the *London Times*.

(1) *Bombay Talkies Ltd* for "A day with the Indian Army". Mr. Bahadur Chunilal, Managing Director of *Bombay Talkies*, is a member of the Film Advisory Board, but the contract for this film was placed by the military authorities nearly a year ago before the Board was formed.

(2) *Wadia Movietone Ltd* for "Voice of Satan". Mr. J. B. Wadia, Chairman of *Wadia Movietone*, is Chairman of the Film Advisory Board. Only actual out-of-pocket expenses incurred in the making of this film were charged.

(3) *Mr. Ezra Mir* for "Whispering Legions". Mr. Ezra Mir is not connected with the Board.

(4) *20th Century Fox (India) Ltd* for "Making Money and India Arms for Victory". Mr. C. B. Newbery, Managing Director of *20th Century Fox*, is Vice-Chairman of the Board. Only actual out-of-pocket expenses were charged.

(5) *New Theatres, Calcutta* for "dubbing" three English shorts in Indian languages. New Theatres are not represented on the Board.

(6) *National Studios, Ltd* for making Indian language versions of "The Road to Victory". Mr. Fazalbhoy of *National Studios Ltd*, is a member of the Board. The work was undertaken at the request of Government who are satisfied that the estimate accepted left little, if any margin of profit.

Mr. Govind V. Deshmukh: The information may be laid on the table, but may I know whether the appointments to this board are such as to eliminate any chance of favouritism to the producers of the various films in this country?

The Honourable Sir Reginald Maxwell: There is no favouritism whatever.

Mr. Govind V. Deshmukh: Does not the Honourable Member apprehend that persons on the board who are producers are likely to benefit by being on the board and deciding as to whether a particular film should be produced and by whom and whether it should be exhibited or not?

Mr. President (The Honourable Sir Abdur Rahim) That is a matter for argument.

POLICE WARNING TO MR. BABURAO PATEL, EDITOR FILMINDIA, BOMBAY

†467. *Sardar Sant Singh: (a) Will the Honourable the Home Member be pleased to state whether Government's attention has been drawn to an article published in the *Filmindia*, in its issue of February, 1941, on page 15, by Mr Babu Rao Patel under the caption 'Stop this waste of public money'?

(b) Is it a fact that the writer was called by the Criminal Investigation Department and given a warning? If so, what was the nature of the warning, and why was it considered necessary to give it?

(c) Is it a fact that such warning was given under the Defence of India Rules?

The Honourable Sir Reginald Maxwell: (a) Yes

(b) Yes He was warned against publishing the contents of a confidential Government document and told that he would expose himself to prosecution if he did so The warning was given because he had stated to various persons that the document was in his possession or that he had had access to it and that he proposed to publish it or make use of it

(c) No, but Mr Baburao Patel was warned that, in certain circumstances, action could be taken against him under the Defence of India Rules

THE FILM ADVISORY BOARD AND ALLEGED JOBBERY AMONGST ITS MEMBERS.

†468. *Sardar Sant Singh: (a) Will the Honourable the Home Member please state if the films produced so far by the Film Advisory Board fulfil the object for which the Board was set up in July, 1940?

(b) What are the qualifications of the members of this Board? How many of them are educationists or publicists? Is it a fact that some of them are connected with film industry and derive pecuniary benefit from the industry?

(c) How many meetings of the Board were held? Did all members attend all these meetings? How many of them did not attend any meeting?

+Answer to this question laid on the table, the questioner being absent

(d) Did any Indian producer secure any production contract and for which film? If the answer be in the affirmative, is that producer connected with the Board in any manner?

(e) Is it a fact that Mr Jamshed B H Wadia, the Chairman of the Board, secured a contract for producing 'Voice of India'? If so, what amount was paid to him? What were the reasons for giving him this contract?

(f) Is it a fact that another contract for production was given to National Studio Limited? If so, is it a fact that its directors are members of the Board?

(g) Is it a fact that Mr H W Smith, Business Manager of the *Times of India*, has been appointed as Government representative on the Board? If so, what are his qualifications?

(h) Is it a fact that the offices of the Board were located in the premises of the *Times of India*? If so, what was the total amount of rent paid for the same?

(i) Is it a fact that Mrs Smith is the Secretary of the Film Advisory Board? Is she employed elsewhere as well? What emoluments are being paid to her?

The Honourable Sir Reginald Maxwell: (a) Yes. The films are being shown in Cinemas in all parts of India and are being very well received.

(b) With the exception of Mr H W Smith, the Government representative, they are all prominent film producers or distributors. Government are not aware how many of them are also "educationists or publicists". They were invited to join the Board because of their knowledge of the Indian film industry. All of them, except Mr Smith, are connected with the film industry and presumably derive pecuniary benefit from it.

(c) Regular fortnightly meetings of the Board have been held and there have also been many special meetings and meetings of sub-committees. Some members from Lahore, Delhi, Calcutta, etc., have not been able to attend any meetings but they have been kept in touch with the work of the Board by the circulation of minutes. Most of the Bombay Members, however, have been regular in their attendance and have given a great deal of their time to the work of the Board.

(d) I refer the Honourable Member to the answer given by me to part (a) of Mr Govind V Deshmukh's question No 466.

(e) No contract was given for the production of any film called "Voice of India". The contract, however, for producing a film called "Voice of Satan" was given to the Wadia Movietone Company of which Mr Wadia is the Chairman. The amount paid was Rs 8,652/18/- for a film of 1390 feet and represents actual costs. Mr Wadia gave his own services for supervision and writing of additional dialogue free of charge. The contract was given to Wadia Movietone because Government were anxious to have the film produced as soon as possible and the firm was well qualified to undertake the work. Mr Wadia was not Chairman of the Board, though he was a member, at the time that the contract was placed.

(f) A contract for "dubbing" the "Road to Victory" in Indian languages was given to National Studios Ltd a director of which, Mr M Fazalbhoy, is a member of the Board.

(g) Yes His long business experience as Director and Business Manager of an important Bombay film and his knowledge of accounts

(h) Yes. No rent was paid as the proprietors of the *Times of India* very generously gave office accommodation and considerable secretarial assistance free of all charge for five months, in addition to lending the services of Mr Smith

(i) A Mrs Smith, who is no relation of Mr H. W. Smith, was Secretary of the Film Advisory Board until a few days ago, when she was compelled to resign in order to undergo a serious operation. Mrs Smith was not employed elsewhere. Her salary was Rs 250 per month.

INDIAN FILMS FOR THEATRICAL EXHIBITION BY THE BRITISH MINISTRY OF INFORMATION.

†469. *Sardar Sant Singh: Will the Honourable the Home Member be pleased to state if it is a fact that two films produced by the Advisory Board were sent to British Ministry of Information? If so, were these returned as "too amateurish for theatrical exhibition"? If so, what action have Government taken, or propose to take, against the Advisory Board?

The Honourable Sir Reginald Maxwell: I would refer the Honourable Member to the answer given by me to part (b) of Mr Govind V. Deshmukh's question No 466

APPOINTMENT OF MR ALEXANDER SHAW AS FILM ADVISOR TO THE GOVERNMENT OF INDIA

†470. *Sardar Sant Singh: (a) Will the Honourable the Home Member please state if it is a fact that Mr Alexander Shaw was brought as an expert from England and appointed as Film Advisor to the Government of India? Was no Indian of requisite qualifications available?

(b) Has the appointment of Mr Alexander Shaw justified itself? At whose recommendation was Mr A. Shaw appointed?

The Honourable Sir Reginald Maxwell: (a) I would refer the Honourable Member to the answer given by me on the 14th March, 1941, to Mr Lalchand Navahni's question No 319

(b) Mr Shaw was appointed on the recommendation of the Director of the Film Division of the Ministry of Information and of the Information Officer at the India Office. He has only been three months in the country but his appointment is already justifying itself and Government are satisfied that it was a very good one

THE FILM ADVISORY BOARD AND FILMS PRODUCED BY IT.

†471. *Sardar Sant Singh: (a) Will the Honourable the Home Member please state the names of the paid personnel of the Film Advisory Board, their designation and salaries?

(b) What is the number of pictures produced so far and the amount spent on them and the amount of revenue received by way of returns?

(c) What is the list of pictures to be produced during the current year and money to be spent thereon from the Indian treasury?

(d) What is the amount the British Ministry of Information has promised to contribute towards the salary of Mr Shaw during his services with

[†] Answer to this question laid on the table, the questioner being absent

the Board? Do Government propose that, after the termination of his services at the end of the year as per his contract, a competent Indian will be recruited for the post?

(e) What is the guarantee that the British Ministry of Information will accept films produced by the Board after the return of Mr Shaw, at the rates mentioned in the article published in the *FilmIndia* in its issue of February, 1941, on page 15 by Mr Babu Rao Patel under the caption "Stop this waste of public money"?

The Honourable Sir Reginald Maxwell: (a) I lay a statement on the table.

(b) Fourteen pictures have so far been produced at a cost of Rs 87,878-11-0, exclusive of the cost of extra prints ordered as required. The films are supplied to exhibitors free and no revenue has, therefore, been received.

(c) Sanction has been given for the production of 12 ten-minute "shorts" and 12 five-minute "shorts" and for the "dubbing" of 12 English "shorts" and 6 American "shorts" dealing with the war, if suitable films are available. The amount to be spent thereon by the Central Government including the cost of extra prints, is Rs 3,07,080 but the Ministry of Information have agreed to contribute to the cost of the ten-minute "shorts" on a £1 for £1 basis up to a maximum of £10,000 for 20 "shorts" and half the cost of these will therefore be recovered.

(d) £1,000. The latter part of the question has not yet been considered but it is expected that the Board's own film unit will be able to carry on under an Indian director.

(e) The Ministry of Information have already approved of a list of subjects submitted to them and agreed to contribute half the cost of making them. There is no reason to suppose that they will not implement their guarantee.

Film Advisory Board

Administrative Staff

			Rs p.m.
Business Manager	.	L T Shrivdasan	600
Secretary*	.		250
Bookers	.	L de Souza	100
		M Desai	100
		D Lobo	60
Typists	.	Muss de Monte	60
		S Raghavan	60
Packer	.	Tukaram Gunaji	20
Accountant	.	H Pereira	100
Peons	.	Sitaram Gopal	20
		Shankar Putlaji	20
Librarian	.	S. Wadia	60

*Secretary resigned on March 15, 1941 and the post has not yet been filled.

Film Unit.

Officer in charge of production	Alexander Shaw	£ 1,000 per annum plus Rs. 700 per month.
Secretary	Miss Rama Rau	200
Director	Bhaskar Rao	500
Cameraman	J Bodhye	250
Apprentices	G Singh E Warner V Mhatre	100 100 100
Peons	Shivram Shavant Govind Ganoo	20 20

HOUSE RENT ALLOWANCE TO MIGRATORY AND NON-MIGRATORY GOVERNMENT STAFF NOT PROVIDED WITH QUARTERS AT DELHI

472. *Mr. Muhammad Azhar Ali: (a) Will the Honourable the Finance Member please state whether those members of the ministerial staff of the Government of India Secretariat and/or the Army and Air Forces Headquarters, who moved to Delhi from Simla last October, and who could not be allotted Government quarters, were granted house rent allowance?

(b) How many men among the ministerial staff of the Government of India Secretariat and its attached and subordinate offices, who were detained at Delhi during the summer 1940, were not allotted Government quarters during the last winter?

(c) Were the men mentioned in part (b) above granted any house rent allowance for the winter season? If so, how much? If not, what is the reason for the differentiation between the men referred to in part (a) and those referred to in part (b) above?

The Honourable Sir Jeremy Raisman: (a) Yes

(b) The information is being collected and will be laid on the table of the House in due course.

(c) The answer to the first part is in the negative. As regards the last part, the scales of pay of the ministerial staff are fixed in relation to the conditions in Delhi and certain compensatory allowances have in the past been, and continue to be, granted to the migratory staff to compensate them for the extra expenditure involved in their having to take seasonal accommodation at high rates in both Simla and Delhi and for the high cost of living at the former place. These considerations do not now apply in the case of those who have been permanently located in Delhi.

STATEMENTS LAID ON THE TABLE

Information promised in reply to starred question No. 188 asked by Sardar Sant Singh on the 18th November, 1940

DESIRABILITY OF REDUCTION IN RATES OF RENT FOR GOVERNMENT QUARTERS IN NEW DELHI.

(a) No. In the year 1921-22 and prior to it, rent charged for Government residences generally was subject to a maximum of 10 per cent of the monthly emoluments of the Government servants to whom the residences were allotted. In the case of quarters in New Delhi a special temporary reduction was made up to the year referred to when the New Capital was under construction.

(b) The reply to the first portion of this part is in the negative, the second portion does not arise.

(c) and (d). Yes.

(e) The question of the reduction of rent charged from the staff of the Government of India who have now become non-migratory, has been considered and it has been decided that no reduction is justified. Government are not prepared to consider the question of reducing the rent for others as under the rules as they stand, rent is already charged at concessional rates.

Information promised in reply to part (b) of unstarred question No 64 asked by Maulvi Muhammad Abdul Ghani on the 27th February, 1941

HIGHER INITIAL SALARY FOR ANGLO-INDIANS ON RAILWAYS.

(b) The reply is in the negative

Information promised in reply to parts (c) to (j) of unstarred question No 80 asked by Khan Bahadur Shaikh Fazl-i-Haq Piracha on the 28th February, 1941

REVISION OF SCALES OF PAY OF CERTAIN STAFF ON EAST INDIAN RAILWAY

(c) to (j) The Honourable Member is referred to the reply to starred question No 349 asked by Qazi Muhammad Ahmad Kazmi on 15th March, 1941

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR ROADS

Mr. President (The Honourable Sir Abdur Rahim): I have to inform the Assembly that upto 12 Noon on Wednesday, the 19th March, 1941, the time fixed for receiving nominations for the Standing Committee for Roads nine nominations were received. Subsequently three candidates withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies I declare the following Members to be duly elected, namely:

- (1) Sardar Bahadur Captain Dalpat Singh,
- (2) Haji Chaudhury Muhammad Ismail Khan,
- (3) Mr. Saiyid Haider Imam,
- (4) Mr. Akhil Chandra Datta,
- (5) Syed Ghulam Bhik Nairang, and
- (6) Mr. J. Ramsay Scott.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE ON EMIGRATION.

Mr. President (The Honourable Sir Abdur Rahim): I have also to inform the Assembly that upto 12 Noon on Wednesday, the 19th March, 1941, the time fixed for receiving nominations for the Standing Committee on Emigration eleven nominations were received. Subsequently three-

[Mr President.]

candidates withdrew their candidature As the number of remaining candidates is equal to the number of vacancies I declare the following non-official members to be duly elected, namely

- (1) Mr M Ghiasuddin,
- (2) Sir Syed Raza Ali,
- (3) Shams-ul-Ulema Kamaluddin Ahmed,
- (4) Mr N M Joshi,
- (5) Mr M S Aney,
- (6) Khan Bahadur Sheikh Fazl-i-Haq Pirscha,
- (7) Rao Sahib N Sivaram, and
- (8) Sir F E James

STATEMENT RE ONE KRISHNA GOPAL GARG, A CONVICTED PRISONER IN AJMER

The Honourable Sir Reginald Maxwell (Home Member) With your permission, Sir, may I make a statement?

Mr. President (The Honourable Sir Abdur Rahim) Yes.

The Honourable Sir Reginald Maxwell: Sir, on the 14th March, in reply to a short notice question put by Mr Kazmi, I informed the House, on the basis of information received from the Chief Commissioner, Ajmer-Merwara, that Krishna Gopal Garg, a convicted prisoner in Ajmer, had been placed in "C" class on a previous occasion On the 19th March, the Chief Commissioner informed me by telephone that this information had been found to be incorrect and that, since his order regarding the classification of the prisoner had been passed on the express condition that the previous classification had been properly verified, he was again considering what classification would be proper I asked for full particulars in order that I might inform this House and I received them yesterday The mistake, which occurred in the Commissioner's office in ascertaining the prisoner's previous classification, arose from a *bona fide* misreading of certain orders passed in 1930 These orders related to the reclassification of certain prisoners who had been placed in "A" class and contained the words "the others should be classified as 'C' class prisoners" This phrase was read as including Mr Garg, but actually it related only to certain other prisoners mentioned by name and not to all those on the list for revision Mr Garg's classification in "A" class had therefore not been affected as at first supposed On the present occasion the case had been referred to the Chief Commissioner in accordance with the Ajmer-Merwara Jail Manual, owing to a difference of opinion between the convicting Magistrate and the District Magistrate, and although there were other substantial grounds for classifying the prisoner in "C" class, the fact, which the Chief Commissioner believed to be correct, that he had previously been placed in that class, undoubtedly weighed with the Chief Commissioner in deciding what would otherwise have been a marginal

case On consideration of the facts now revealed the Chief Commissioner has revised his order which was passed under a misapprehension and has directed that Krishna Gopal Garg should be classified in "A" class. I regret that in my previous reply incorrect information was given on this point But the House will recollect that it was given in answer to a short notice question which had made it necessary to obtain information by telegraph Had it been obtained by letter after ordinary notice, the Chief Commissioner would no doubt have had an opportunity of discovering the mistake before the question was answered

ELECTION OF A MEMBER FOR THE COMMITTEE ON PUBLIC ACCOUNTS

The Honourable Sir Jeremy Raisman (Finance Member) Sir, I move

"That the non-official members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, one member to be a member of the Committee on Public Accounts in place of Sirdar Jogendra Singh who has ceased to be a member of the Assembly "

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That the non-official members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, one member to be a member of the Committee on Public Accounts in place of Sirdar Jogendra Singh who has ceased to be a member of the Assembly "

Mr. Govind V. Deshmukh (Nagpur Division Non-Muhammadan) On a point of information, Sir May I know why Sirdar Jogendra Singh has ceased to be a member of the Assembly?

The Honourable Sir Jeremy Raisman: I am afraid I am not aware of the details of the matter, but I believe he was sentenced to a term of imprisonment

Mr. Govind V. Deshmukh: Was any action taken by the Government, and if so, under any law? What was the sentence awarded?

Sir George Spence (Secretary, Legislative Department) I think it was fifteen months

Mr. Govind V. Deshmukh: Are there any rules which automatically disqualify a person from continuing as a Member?

Sir George Spence: Yes

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the non-official members of the Assembly do proceed to elect, in the manner required by rule 51 of the Indian Legislative Rules, one member to be a member of the Committee on Public Accounts in place of Sirdar Jogendra Singh who has ceased to be a member of the Assembly "

The motion was adopted

**ELECTION OF MEMBERS FOR THE STANDING COMMITTEE OF
THE DEPARTMENT OF COMMERCE**

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour): Sir, I move ‘

“That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official members to serve on the Standing Committee to advise on subjects in the Department of Commerce”

Mr. President (The Honourable Sir Abdur Rahim) The question is

‘That this Assembly do proceed to elect, in such manner as the Honourable the President may direct, three non-official members to serve on the Standing Committee to advise on subjects in the Department of Commerce”

The motion was adopted

**ELECTION OF MEMBERS FOR THE CENTRAL ADVISORY BOARD
OF EDUCATION**

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands) Sir, I move

“That the members of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, two persons from among their own numbers to be members of the Central Advisory Board of Education in India, with effect from the 10th September, 1941”

Mr. President (The Honourable Sir Abdur Rahim) The question is

“That the members of this Assembly do proceed to elect, in such manner as may be approved by the Honourable the President, two persons from among their own numbers to be members of the Central Advisory Board of Education in India, with effect from the 10th September, 1941”

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) I may inform Honourable Members that for the purpose of elections of members for the Committee on Public Accounts, Standing Committee for the Department of Commerce and the Central Advisory Board of Education in India, the following dates have been fixed for receiving nominations and for holding elections, if necessary, namely

— —	Nominations	Election.
1 Committee on Public Accounts	24th March, 1941	27th March, 1941
2 Standing Committee for the Department of Commerce	24th March, 1941	28th March, 1941
3 Central Advisory Board of Education in India	24th March, 1941	28th March, 1941

The nominations for the two Committees and the Board will be received in the Notice Office upto 12 Noon on the dates mentioned above for the purpose. The elections which will be conducted in accordance with the principle of proportional representation by means of the single transferable vote will be held in the Assistant Secretary's Room in the Council House, New Delhi between the hours of 10-30 a m and 1 p m

THE INDIAN FINANCE BILL—concl'd.

Mr. President (The Honourable Sir Abdur Rahum). The House will now proceed to deal with the Indian Finance Bill clause by clause

The question is

"That clause 2 stand part of the Bill "

The motion was adopted

Clause 2 was added to the Bill

Mr. President (The Honourable Sir Abdur Rahum) The question is
"That clause 3 stand part of the Bill "

Mr. Husenbhai Abdullaibhai Laljee (Bombay Central Division Muhammadian Rural) Sir, I beg to move

"That in clause 3 of the Bill, in clause (q) (i) of the proposed section 4, for the word 'forty' the word 'fifty' be substituted, and after the words 'two rupees' the words 'and eight annas' be inserted"

With regard to this matter, in my speech on the Finance Bill I have already pointed out that so far as the public is concerned it would be much better that we should have only two units, one unit of 50 and another of 80. We have received representations, I will not read them at length, but I wish to submit that in the interests of the industry, in the interests more of the consumer and in the interests of conserving our supplies of paper and chemicals in this country, it will be very advisable that Government should adopt only two units. We have at present three units, namely, 40, 60 and 80, and in every unit that we make we have to use different kinds of paper and the large quantity of paper that is used in the manufacture of matches goes to show that at present we are wasting a great quantity of paper which is very essentially required. In ordinary cases we have got to use blue paper, we have got to use green paper, we have to use brown paper and so forth and so on. It is advisable that at the present moment we should not allow the manufacturer to waste money on the paper. In fact, when we are putting such a heavy duty on the consumer and we want a lot of paper for other purposes, and when the manufacturers have quoted the prices of paper as having gone up very materially—in fact they have given the prices of paper which have gone up, the scarcity that is being suffered, and if we allow this sort of thing to go on, the prices would go up every time. We cannot stop prices on the one hand by saying that the prices to the consumer must not be raised, and on the other hand, allow the manufacturer to use a lot of paper for packing purposes and other purposes. At the present time we ought to become more businesslike so far as supplies are concerned. Of course, it has gone on for years together. These matches were being imported from outside and as much quantity of articles as could be brought from outside was always encouraged, whether in the shape of packing or manufacture or otherwise. In fact, it was an indirect way of increasing the imports. Another point that arises is this. When we make a unit of 40 and 60, the difference is very little and I think the retail shopkeeper, business man as he is,—he does take advantage of passing on 40 splints instead of 60. It is quite easy, it is practicable for the business man to pass on after the duty has been increased, to this extent that the match box of 40 may be given at half an anna.

[Mr Husenbhai Abdullaabhai Laljee]

Sir, I should very much like that the duty may be decreased but from the way we have learnt from the Honourable the Finance Member I have no hope that he will reduce the duty at all and I see that he quite agrees In that case my submission is, in the interest both of the consumer and of the manufacturer and in the interest of conserving supplies of chemicals and paper which are badly required for the Defence Services in other industries that are going on for the production of munitions, that my suggestion should be adopted When I put down the prices at Rs 2-8-0 and Rs 4 for 50 and 80 splints I worked out the figures as under I put down the cost including the selling commission including also the depreciation, including the dividend to the extent of nearly nine to ten per cent I do not know whether my friend, Sir Cowasji, who has recently been a member of the Board of Directors of Wimco knows it But I am told or rather these are the figures that I have worked out as one who has been in the line If we put down 50 and 80 units, it works out at 2 pice and 3 pice respectively and at a cost with profit at 9 per cent and depreciation As has been stated in the representations of the manufacturers of Bombay and Calcutta, the prices of chemicals have risen Of course, we have not been able to get any cost or any representation from the great foreign syndicate which is running the Western India Match Co and who really supply nearly 70 to 80 per cent of the consumption But still from all I have got from the Indian manufacturers of Bombay and Calcutta, I feel that the cost with profit, selling commission and otherwise to a manufacturer will not go over for 50 splints at more than one rupee one anna So far as 80 splints are concerned it works to Rs 1-13-0 Now add to 1-1-0 duty Rs 2-8-0 It works out for a dozen 4 annas 9 pies and for the retailer it comes at half anna to 6 annas, giving him, the retailer, a profit of 1½ a gross, which is fair In like manner with regard to 80 splints, the cost works out to a figure of 1/12 with depreciation and profits With one anna for the selling commission it works out to 1/18 Added to the Rs 4 duty as suggested by the Honourable the Finance Member and it works out to 8 annas 9 pies and adding one anna 3 pies for the retailer it works out to 9 annas which gives a fair price of 3 pice for a box of 80 splints If this suggestion is agreed to, we can definitely put down the selling prices at not more than half an anna for 50 splints and not more than 3 pice for 80 splints Thereby there will be no difficulty whatever experienced by the sellers, by the manufacturers and the consumers With this object I have moved the above amendment

MR. PRESIDENT (The Honourable Sir Abdur Rahim) Amendment moved.

"That in clause 3 of the Bill, in clause (n) (i) of the proposed section 4, for the word 'forty' the word 'fifty' be substituted, and after the words 'two rupees' the words 'and eight annas' be inserted "

The Honourable Sir Jeremy Raisman (Finance Member) When replying to the debate, day before yesterday, with reference to a suggestion made by Sir Homi Mody, I said that it was desirable to review the sizes of units in which matches were retailed and to see if some schedule could not be devised which, while giving revenue its fair due, would remove opportunities for profiteering and exploitation I am also aware of the force of the contention put forward by the Honourable the Mover of the

amendment in regard to the units for retailing matches but my difficulty is that this is a question which I should like to discuss at leisure with representatives of the trade and with due regard to the interests of the consumer and I cannot here and now accept on the floor of the House an amendment to the schedule which may possibly have undesirable effects If I were satisfied that the trade in general were in favour of concentrating on production of 50s and 80s, I should, as at present advised, be in favour of a scheme of that kind but if I were to accept here and now the amendment made by the Honourable Member I should immediately make it impossible for matches to be retailed economically in boxes of 40, because the tax on a box of 40 matches would under this amendment be the same as the tax on a match box of 50

Mr. Husenbhai Abdullabhai Laljee: I am making it 2-8-0 instead of 2 You would not lose

The Honourable Sir Jeremy Raisman: I may not lose I am not talking now from the point of view of the exchequer merely but the effect would be that such boxes of 40 as continue to be produced would under this have to pay duty at the rate of 2-8-0 I cannot without consideration and preparation make so serious a change in the conditions in which matches are produced and distributed Now, the question is what I can do, if after the schedule has been embodied it becomes desirable to make some variation That is a legal point on which I am satisfied that in the exercise of the powers, which are called powers of exemption, I can vary the schedule For instance, I could cater for a box of 50 matches by exempting boxes of 50 from 8 annas duty At present under the schedule a box of 50 is liable to the same duty as a box of 60, that is to say, Rs 3 Now, if I come to the conclusion after consideration and discussion with the trade that it is highly desirable to cater for the distribution of a box of 50, then until I am next in a position to legislate I can issue a notification which will in effect fix the duty on a box of 50 at the rate proposed by the Honourable Member So, Sir, I am sympathetic to the objects which the Honourable Member has in mind but I cannot here and now on the floor of the House agree to give drastic statutory effect to that suggestion until there has been time to discuss it with the representatives of the trade In view of this explanation and my declared intention, I trust that the Honourable Member will not press his amendment at this stage

Mr. Husenbhai Abdullabhai Laljee: In view of the Honourable Member's statement, I wish to withdraw my amendment

The amendment was, by leave of the Assembly, withdrawn

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban): Sir, I move

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee' be substituted"

The object of my amendment is that there should not be any additional taxation on matches

Sir Owaisji Jehangir (Bombay City Non-Muhammadan Urban): How much then shall we lose?

Dr. P. N. Banerjea: According to the Finance Member's calculations, we shall lose a crore and a half of rupees, but in connection with the Budget and the Finance Bill I pointed out that it would not be necessary to levy any additional taxation if measures of economy were adopted. In case measures of economy did not suffice, I pointed out, further, that borrowing might be resorted to to a slightly increased extent. But my own view is that neither borrowing nor additional taxation is necessary. Sir, if it may be found absolutely necessary to impose additional taxation we should see to it that such additional taxation falls on the shoulders of those who are best able to bear this burden. Now this burden, as I pointed out the other day, would fall on all classes of the population and the greatest part of the burden would fall on the poorest of the people. It is well-known that ninety per cent of the population of India is very poor. That has been admitted by great Englishmen who have had any sympathy for Indians. Is it desirable at this juncture to levy a burden on the poorest classes of the population? I say that that is quite unnecessary and would be extremely unjustifiable. Sir, with a rise in the cost of living, the condition of the poorer classes, of some sections of the poorer classes at least, has become much worse. It may be argued that owing to the war situation, some poor people have derived some advantage, but, on the other hand, it must be said that the condition of others has deteriorated. When we find that the Government are compelled to pay a dearness allowance to some classes of Government servants, it is made clear that the economic condition of such classes has become much worse than before. It is not all persons who are employed by the Government who are benefited, and the dearness allowance helps only a small proportion of the working population. There are others who are working under private companies, and private individuals and who work on their own, they do not get any dearness allowance, and their condition, therefore, must be borne in mind before we levy additional taxation on them. As I said the other day, this additional duty on matches is akin to an additional duty on salt, because it is one of the most essential necessities of every person in India, except perhaps the very rich who use electric light and who are not required to have resort to matches.

An Honourable Member: What about smoking?

Dr. P. N. Banerjea: Smoking is a luxury and it is only the richer persons who indulge in such luxury.

Sir Cowasji Jehangir: But the poor man smokes the bidi.

Dr. P. N. Banerjea: That is also a convention, for the poor it may be regarded as a conventional necessity and it is not desirable to tax such conventional necessities of the poor. Look at it from whatever point of view you will, it is a most unjustifiable tax and I would urge the Finance Member to accept my amendment in order that there may not be any discontent in the country. It is the duty of all of us—Government as well as the Opposition—to prevent discontent in the country and I can assure the Honourable the Finance Member and his colleagues on the Treasury Benches that if this is passed, there will be great discontent in this country. I would therefore ask him to accept the amendment in order to prevent discontent. Sir, discontent is a very undesirable thing, especially in a time of war and if it can be avoided, every effort should be made to avoid it. With these words I move my motion.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee' be substituted."

Sir Cowasji Jehangir: Mr President, I have contended in this House on two occasions that for the year 1940-41 we have been taxed 44 per cent higher than we should have been in comparison with England. I attempted on two occasions to prove this by facts and figures. In trying to controvert my argument, the Honourable the Finance Member gave us just a few bald figures in his speech in reply to the Budget debates. He said that the normal Budget of India was 85 crores, which had risen in 1941-42 to 115 crores. I do not know where he got that figure of 115 crores from—it is 113 crores.

The Honourable Sir Jeremy Raisman: I said "to the order of"

Sir Cowasji Jehangir: Sir, two crores does not matter to the Honourable the Finance Member,—"whether it rose to 113 or 115 does not matter!" Even in his own figures I do expect him to be a little more accurate. Then, Sir, he went on to say that in England the estimate for taxation was from £1500 million to £1700 million. Now these again are not correct figures.

The Honourable Sir Jeremy Raisman: Sir, may I remind the Honourable Member that it was agreed that these general arguments would not be pursued at this stage where we would confine ourselves to the clauses and the amendments. The Honourable Member is clearly attempting to get another opportunity to traverse my argument.

Sir Cowasji Jehangir: May I reply that here is a matter in which a crore and a half of rupees are involved. If the House accepts this amendment, the deficit will go up by a crore and a half, and I have a right to explain how we can meet this deficit.

Mr. President (The Honourable Sir Abdur Rahim) As a point of order has been raised, the Chair understood the Honourable Member was now trying to reply to the Finance Member as regards some of the figures he gave in his reply to the speeches of the other Honourable Members. If that is so, then the Chair thinks it is quite in order, but if he is attempting to renew the whole discussion on the Finance Bill, the Chair should certainly disallow that.

Sir Cowasji Jehangir: Sir, the Finance Member's figures were not correct and he tried to make out that any further deficits could not be made good out of loans and I am touching on that point. Sir, then he tried to compare that figure of Rs. 115 crores, as he said, with the rise in England from £1500 million to £1700 million, and I was at great pains to show that that was not correct.

Mr. President (The Honourable Sir Abdur Rahim) That was in his reply to the speeches of Honourable Members on the motion for consideration of the Finance Bill?

Sir Cowasji Jehangir: Yes, Sir, day before yesterday. I was at great pains to show that for 1940-41 the amount of taxation in England was £1284 million. I did also point out that it was the Supplementary Budget of July of 1940 which raised further taxation by £129 million, out of which £86 million accrued in the present financial year making a total of £1320 millions and not 15 to 17 hundred millions. Of course, the Honourable the Finance Member has only lately been accustomed to talk in crores of rupees and a few hundred millions to him do not mean very much this way or that way.

The Honourable Sir Jeremy Raisman: I must point out, in justice to myself, to the Honourable Member that I am talking on the basis of recent estimates of probable yields whereas he is referring to the figures put before Parliament nearly twelve months ago.

Sir Cowasji Jehangir: I am coming to that. I have given the latest figures of taxation in England no other figures are available. The new budget has not come out. I have given you the figures of the supplementary budget and I am comparing them with the figures in India for 1940-41 and not 1941-42. I have been saying that all along. Now, Sir, you cannot make a comparison between England and India in bold figures. You must come down to percentages, especially if your figures are out by a few hundred millions. I again claim that I have placed before this Honourable House figures which are now in cold print to show that in the year 1940-41 we were taxed 44 per cent more than we should have been. The figures that the Honourable the Finance Member has given will also go down in cold print. Now, Sir, the Finance Member practically admitted that he has made a difference in the method of division between taxation and loans between the last war and this war. I was glad to hear that admission. There has been a difference and he admits it.

The Honourable Sir Jeremy Raisman: I do not remember having said that.

Sir Cowasji Jehangir: In that case, let me revive his memory. I asked him whether we were not carrying the burden of 1914-18 and his reply was "Is that the reason why we should ask that our burden should be carried in a similar manner?" I asked him whether we were carrying the burden of 1914-18.

The Honourable Sir Jeremy Raisman: Some of it.

Sir Cowasji Jehangir: We are carrying the whole burden as far as possible at the present moment.

The Honourable Sir Jeremy Raisman: I did not admit that.

Sir Cowasji Jehangir: The future generations should also carry a similar burden. But, Sir, I have shown in two particulars that the Honourable the Finance Member was not quite accurate in his figures. But the surprising part of it was that he compared the Indian figures of 1941-42 with the English figures of 1940-41. Now, you cannot compare the figures of one year with the figures of another year. The Honourable the Finance Member thinks that he may be one of the wonders of the world. He is not. At any rate, he tried to compare the figures of 1940-41 with the figures of 1941-42. Now I have never heard of such a thing. It is impossible to do

that But that is what he is attempting to do He gave us the Indian figures of 115 crores, which relate to 1941-42 and he compared them with the figures of 17 to 18 hundred millions which relate to 1940-41 But when I asked the Honourable the Finance Member to deal with facts and not fiction, this is what he said .

"I am dealing with facts which are familiar to those who deal with those problems and it is almost a commonplace of economics and public finance that the duty of each generation is to provide by toil and sacrifice and by tightening its belt, to provide for the cost of the problems with which they are confronted "

Now, I am prepared to bow to the superior wisdom of the Finance Member in certain matters, but I absolutely refuse to take advice of this sort from the present Finance Member of the Government of India Some of us in times of danger both for India and for England know how to tighten our belts and I would ask him to put the search-light upon himself and refrain from giving such advice where it is not required or wanted

Now, Sir, suppose that this amendment was accepted by this House and there was a further deficit of a crore and a half, what would prudent finance demand? I was trying to explain the debt position of India when I was asked the question If the sinking fund was increased, would it not mean the same as taxation? I was surprised at the question Suppose this amendment was carried and it meant a deficit of, say, one crore in round figures Then, I think the Finance Member in justice and in equity would demand that if a crore more of borrowed money was to be used towards making up the deficit, at least 5 per cent of that amount should be raised by taxation, 3 per cent for interest charges and 2 per cent for the sinking fund It now works out at 1 1/8 per cent and I have raised it to 2 per cent The difference, therefore, between taxation and borrowing is this You would have to raise by taxation a crore of money, but if you finance it from loans you would have to raise by taxation 5 lakhs, which is a very great difference The matter was so simple that I hardly thought that it required an explanation

Now, I would just like to come to my Honourable friend, Sir Frederick James I do not find he is here just now and I will postpone what I have to say till he is present

Mr. President (The Honourable Sh Abdur Rahim) It is not expected that the Honourable Member should reply to every Member

Sir Cowasji Jehangir: Now, the point is who suggested this taxation on matches? While asking that question, let me just say this that I am not in complete agreement with the Mover of this amendment when he suggested that it was unfair to raise this tax I am not in agreement with him there, but I would like to raise the point, who is responsible for this proposal? Is it the Finance Member himself or is it the Government of India? Just now we have heard a great deal of joint responsibility of Governments It has come very prominently before the public eye and I do think that we do want a lucid explanation of this question Take these matches Is it the responsibility of the Government of India as a whole or is it of the Finance Member? Now, let me come to the major issue A very important contribution has been made by my friend, Sir Chunmanlal Setalvad, to the *Times of India* of yesterday's date raising this very important issue I am not going to repeat anything that has been said at the conference in Bombay

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House).

May I respectfully invite your attention, Sir, to the fact that 12 NOON. the Honourable Member is not talking on the motion now?

Sir Cowasji Jehangir: I am coming to the question of the joint responsibility of Government with regard to taxation, and particularly in regard to the question of matches

The Honourable Sir Muhammad Zafrullah Khan: That has nothing to do with the amendment

Sir Cowasji Jehangir: The amendment seeks to knock it out

Mr. President (The Honourable Sir Abdur Rahim) The Chair believes the Honourable Member's contention is that the question of tax on matches is a joint responsibility of the entire Government. The Chair does not know whether it is disputed

The Honourable Sir Muhammad Zafrullah Khan: What led the Honourable Member to think that is disputed?

Sir Cowasji Jehangir: Because the Honourable the Finance Member in his speech the other day used the first person I did this, I did that, I did the other

Mr. President (The Honourable Sir Abdur Rahim) But the Chair just now heard the Honourable the Finance Member to say that it is the Government of India

Sir Cowasji Jehangir: This is a very important point which I want to discuss, but if you rule that it should not be raised, then I bow to your ruling

Mr. President (The Honourable Sir Abdur Rahim) It is admitted by the other side

Sir Cowasji Jehangir: Even if it is admitted

The Honourable Sir Jeremy Raisman: It is a joint responsibility

Mr. President (The Honourable Sir Abdur Rahim) Any general issue of a political nature cannot be discussed now

Sir Cowasji Jehangir: All I have got to say is that I do hope that the Honourable the Finance Member will take this House, although it is a very empty House, in a more serious manner than he does. Because it is empty that is all the more reason to take it more seriously. I am not going to stop my criticism because the Congress Benches are empty. My speech would have been exactly the same. In quoting figures, it is the privilege of non-official Members to make mistakes. They have not got the knowledge, they have not got the secretariat behind them, but I do think that Members of Government when they quote figures should take care to see that they are correct, specially if they are quoted to controvert the argument put forward, backed by facts and figures of an Honourable Member

who is part of the Opposition. With these words, I think my Honourable friend, the Mover, would do well, after he has had his say, to withdraw his amendment. It may be that the Honourable the Finance Member has very good reasons for having proposed, or that the Government of India have had very good reasons for making this proposal. We say it amounts to 1½ crores and I am not at present prepared to increase our borrowings by 1½ crores for this particular purpose.

The Honourable Sir Jeremy Raisman: Sir, I would like first of all to deal with the point of inaccuracy of figures. It is true (and I present my Honourable friend with it) that when standing here in this place and looking for exact figures, which I wanted, through my papers, I was not able to find them. I was fully aware of the order of the figure, but in looking through the budget speech, I could not put my finger on it at that second and, therefore, in order not to detain the House unnecessarily, I mentioned the figure of 115 crores instead of 113 crores. But it did not affect the validity of my argument. What I was dealing with was the general percentage of increased taxation. For that matter, the figure of 85 crores was only a rough figure, it may have been 83 27 or 83 8. My point was that the increase in taxation with the new taxes would be something of the order of 30/85 or say roughly something less than 40 per cent. In speaking of the United Kingdom figures, I could not deal with their figures for 1941-42 for the simple reason that those figures have not yet been published. I dealt with what is estimated by economists to be the present rate of yield of taxation as compared with what we know to be the previous scale of taxation and the position there was.

Sir Cowasji Jehangir: I gave figures of the supplementary budget, and no further taxation has been raised.

The Honourable Sir Jeremy Raisman: The Honourable Member seems to be incapable of realising that the figures laid before the House of Commons in April last are so out-of-date as to be unreliable and the Honourable Member seems equally incapable of realising that when competent economists who are watching the growth of Government expenditure and revenue are now making estimates of the effects of certain changes and those estimates might, and probably in the course of the next few days, will be revealed to be much more accurate than the estimates which the Treasury itself put up in April last.

Sir Cowasji Jehangir: The Honourable Member is mixing up revenue with expenditure. The expenditure has gone up, the revenue cannot go up, unless taxation is put up.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member ought not to be interrupted in his speech.

Sir Cowasji Jehangir: The Honourable Member is mixing up two separate things.

The Honourable Sir Jeremy Raisman: I do not however wish to pursue this point. The Honourable Member seems to be incapable of treating it without importing a certain amount of heat into it and since it is a question of facts and figures, on his own showing, I do not really understand

[Sir Jeremy Raisman.]

where the occasion arises for importing feeling into the matter. However, I may state in the most categorical manner that I remain entirely unconvinced by his argument and I do not believe that anybody can demonstrate that the burden of taxation which is being borne in England at the present time is actually less in relation to the taxable capacity as evidenced by pre-war budgets than the additional burden being borne by the taxpayer in India. I refuse to allow him in support of his argument to take the volume of borrowing in England in relation to the total expenditure as a criterion instead of taking the proportionate increase of taxation—that is the difference between me and my Honourable friend. It may happen, it could happen that the scale of borrowing in England might rise to 200 per cent or 300 per cent of the yield of taxation. Would that mean, then, that we, in India, should actually go back and reduce our normal taxes so as to get our borrowings into a similar proportion to the yield of taxation? At the present moment, in order to get into a position comparable with that of England in that respect, we ought to remit about 40 per cent, probably more, of the pre-existing scale of taxation and fill that up with loans also. That is the logical conclusion of the Honourable Member's argument.

Now, Sir, he taught me some simple facts about the effect of the operation of a sinking fund. I am very grateful for the instruction which he has kindly conveyed. The attractive proposition which he puts forward before the House is that if for every crore you have to spend, you are prepared to borrow, all you need to do is to raise about five lakhs taxation, so that as far as I can see, since the expenditure is estimated to be something of the order of 120 crores—I guard myself by saying 'order of', it may be 126 3 crores or more or less—since your total expenditure is of the order of 126 crores, then I can see no reason why you should not defray your obligations by raising taxation to the tune of six crores which will enable you to conserve

Sir Cowasji Jehangir: Nobody can make such a ridiculous suggestion. I never made such a ridiculous suggestion as the Honourable Member puts in my mouth.

The Honourable Sir Jeremy Raisman. The Honourable Member's argument, in my opinion, leads ultimately to no less an absurd conclusion than that because it omits the question of what portion of the burden should the present generation extinguish now, not the question of what arrangement it should make for defraying the cost, but what portion of the cost of the war should actually be finally shouldered at this stage and extinguished for good and all.

I leave that point and I will now deal with the main argument of my Honourable friend, Dr Banerjea. As I pointed out the other day, this tax, although it is an indirect tax and must, therefore, be levied on the poor as well as the rich, this tax is after all very largely, I do not say entirely it is very largely in the nature of a tax on smokers and to that extent, it is not comparable with the tax on those essential commodities which every human being must consume. It is in fact a tax on a commodity, the consumption of which is elastic. And it is possible even for the poorer classes of the community to adjust themselves to some extent to the operation of a tax of this kind. But there is a more important point which Dr

Banerjea omitted to notice and that is this. The cost of the production of matches has now risen to such an extent as to encroach on the margin of profit of the distributor and retailer and to make it exceedingly difficult for the match to be retailed at the price at which it was retailed until recently. Now, I pointed out in my budget speech that when that situation occurs the retailer if he advances at all must advance by a large amount because of the lowest unit of currency. Dr Banerjea has made no suggestion as to how to deal with that difficulty, with the fact that in any case even if you were to reduce the amount which the exchequer takes out of the new retail cost of matches it would probably not be possible for the match to be retailed at the previous price. The effect of the change which I have made is that a further margin of two annas is given to the trade to cover extra cost, to enable it to adjust itself to the situation and I consider, as at present advised, that that further margin of two annas makes it possible for us to fix the new retail price, whilst withdrawing for the exchequer by far the larger part of the additional return which is yielded by that price.

Sir, I oppose the amendment,

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee' be substituted."

The motion was negatived

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural) Sir, I move "That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and four annas' be substituted"

Mr. President (The Honourable Sir Abdur Rahim) There are a number of amendments of that character proposing different figures. The Chair thinks they ought to be all moved first without any speech and then the discussion of all these amendments can go on. The questions will be put afterwards on the amendments separately. Amendment moved

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and four annas' be substituted"

Dr. P. N. Banerjea: Sir, I move-

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and eight annas' be substituted"

Mr. President (The Honourable Sir Abdur Rahim) Further amendment moved

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and eight annas' be substituted"

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural): Sir, I move.

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and twelve annas' be substituted"

Mr. President (The Honourable Sir Abdur Rahim) Still further amendment moved:

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and twelve annas' be substituted"

Mr. Lalchand Navalrai: Sir, with regard to these amendments, I know our strength is not such as to enable us to give a fair fight. When the Finance Bill came up in November, the Congress Members . . .

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member need not discuss the general question now. He must confine himself to the amendment.

Mr. Lalchand Navalrai: I am submitting that we are at the Finance Member's mercy and he ought to be reasonable.

Mr. President (The Honourable Sir Abdur Rahim) There need not be a discussion on that matter.

Mr. Lalchand Navalrai: My present amendment does not stick to the original figure of Re 1 but goes a step further. To raise the duty from Re 1 to Rs 2 as the Finance Member seeks to do is to give a very big jump. It has been brought to the notice of the House that even with the duty which was fixed in 1934 the cottage industry in matches was not able to carry on and therefore I submit that some advantages should be given to them to enable them to continue. The facts before us go to show that the cost of production has increased very much. Although no concession can bring down the cost of production still it will lessen the burden. From that point of view the Honourable the Finance Member showed some reasonableness on the first amendment and offered to consider the suggestion made by the Mover of that amendment. I, therefore, think the Honourable Member would have been well advised to postpone the question wholly and consider whether the splints in each match box should be alike and a different duty charged or it should be reduced to some extent. The whole question should have been postponed and to consider later whether the number of splints in each box should be of a different nature with different amounts of excise duty. To consider the present amendment now would complicate the question now under discussion. There are now three amendments,—one for Rs 1-4-0, one for Rs 1-8-0 and one for Rs 1-12-0. At any rate there should be some concession given to this industry. Of course, at the present time on any amendment the Honourable Member can put forward the plea that money is required for war effort and must be raised in this way, but he should consider the other side also. There is at present dearness of living and several other questions pertaining to economy to be considered.

Mr. President (The Honourable Sir Abdur Rahim) All that has been said already.

Mr. Lalchand Navalrai: Therefore, it has two sides and both the sides should be considered by the Honourable the Finance Member. I will not take more time because I also know that it is futile to put forward any reasoning which will not move the Government when it is said that money is needed for war purposes. I think any reasonable arguments on this side will not be accepted. Sir, I leave it to the reasonableness of the Honourable Member.

Qazi Muhammad Ahmad Kazmi: Sir, so far as this particular tax is concerned, there are three parties, the Government, the consumer and the manufacturer I am representing the consumer mostly, and I want to say this that when the Government have made up their mind to tax, as much relief as possible may be brought to the consumer consistently with safety to the manufacturer From the point of view of the manufacturers, we have seen a memorandum from the Indian Match Manufacturers Association, and they have calculated and worked out that if the duty is placed at Rs 1-12-0, then there will be no difficulty in selling the match boxes at two for three pice, i.e., at 1½ pice per box of 40 splints So my submission is that we should make it sure that the price of matches for the consumer does not rise above 1½ pice per box The difference between 1½ pice and two pice is half a pice that means an additional burden to the consumer of 25 per cent I maintain that we must avoid that increase by the ruddlemen of half pice, and we must leave sufficient to the manufacturer so that there may be no such tendency to raise the price by 25 per cent, and instead of putting this duty of Rs 2, I think a duty of Rs 1-12-0 would be more proper I may just mention my own experience The day the Honourable the Finance Member introduced the budget I found in Delhi that the price of a match box .

Mr. President (The Honourable Sir Abdur Rahim) All that has been related to this House more than once

Qazi Muhammad Ahmad Kazmi: Sir Muhammad Yamin Khan related it

Mr. President (The Honourable Sir Abdur Rahim) But the Honourable Member need not relate that once again It is quite enough if one Member has related it

Qazi Muhammad Ahmad Kazmi: I will leave that part that there was a time when the price went up to two pice Now, gradually it has come back to 1½ pice, but that is in the City of Delhi In villages where additional middlemen come in the way, it is more difficult, it will continue to rise to two pice and it will not come down to 1½ pice That means that our agricultural population who live outside the cities will have to pay more than 1½ pice per box So, to make it sure that even in far off villages the price of the match box does not go higher than what is contemplated by the Government of India, to maintain this tax at Rs 1-12-0 would be the proper course With these remarks, I move my amendment.

Dr. P. N. Banerjea: Sir, by my amendment I seek to reduce the additional duty on matches by one half, or 50 per cent This is a far more modest proposal, and I hope it will be acceptable to the Honourable the Finance Member The Honourable the Finance Member seems to think that matches are required only or mainly for smoking purposes I must say that he is entirely mistaken There are many persons, millions of persons, who do not smoke, and matches are required by them for lighting purposes and for other household purposes such as cooking My Honourable friend, the Finance Member, is familiar with electric light and electric cookers; but how many are there who can afford to have electric lights and electric cookers? In his own household I believe no

[Dr P. N. Banerjea]

fire is lighted with matches—he may have an electric kitchen. However, India is a poor country and although my Honourable friend has been in this country for 25 or 30 years, it seems to me that he knows precious little of the conditions which prevail here. That being so, I would ask him to revise his opinion and take it from Members of this House that matches are used for lighting kerosene lamps and for lighting fires for cooking purposes. The Finance Member said in his budget speech . . .

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must not go into general considerations

Dr. P. N. Banerjea: No general consideration at all. This is with regard to this matter only. He says

"Over large parts of the country the retail price has already advanced to the next higher point (meaning a pice and a half), yielding a large unenvanted profit to the trade. The increase in duty now proposed will appropriate for the exchequer a due share of the enhanced retail price which the consumer has to pay."

Now, this will be possible only if the additional duty is halved. It will not be possible if the duty is levied at the full rate, and even then when the duty is halved the Finance Member will have to take steps for seeing to it that the price of a match box of 40 sticks is not advanced beyond 1½ pice. That would be a practicable policy if he takes the necessary steps and in that case the consumer will not be greatly hurt. I have already pleaded that the burden on the poor should not be enhanced. Let the additional burden on the poor be as little as possible. If this modest proposal of mine is accepted, it will be for practical purposes no loss to the Government and at the same time it will help the consumer to a large extent.

The Honourable Sir Jeremy Raisman: Sir, I admit at once that my familiarity with the Indian countryside is not as great as that of Professor Banerjea but I have in fact received a lot of correspondence and representations in connection with this match duty, and it so happens that apart from the actual match producers the only other organised bodies that have approached me are tobacco and bidi sellers. They seem to be at any rate the main organised body for retailing matches, and although my knowledge of India may not be as great as that of Dr. Banerjea, still I cannot fail to observe as I walk along the bazaar and through the streets of India that the main channel for the sale of matches at any rate is the shops which sell goods for smokers . . .

Dr. P. N. Banerjea: What about the villages? How many towns are there in India as compared with the villages?

The Honourable Sir Jeremy Raisman: I am talking about the villages too. I do not know what the exact number is, but I have a strong feeling that the majority of the matches consumed in India are consumed by smokers. Be that as it may, this amendment would not relieve the consumer of matches of anything at all. The only thing that this amendment would do would be to give the trade a much more comfortable margin with which to operate, and that I consider is entirely objectionable.

I propose to try and deal with that difficulty by discussing with the trade more suitable units in which matches should be retailed, but I am not prepared to solve the problem by saying, "All right. You have another four annas, another eight annas a gross. Then, I am quite sure you will get rid of your trouble." Dr Banerjea actually—and he is an economist—advances the preposterous proposition that I should forego 75 lakhs of revenue in order to ensure that the producers and distributors of matches do not exploit the consumer and that this sum would solve their difficulties without their asking him to pay 33-1/3 per cent more. That is what it amounts to. He is afraid that instead of 1½ pice they will charge 2 pice for a box of matches because their own costs may go up by possibly five per cent. He seriously suggests that the way to solve that difficulty is to give up at a stroke half of the total expected yield of the increase of tax. I find it difficult to take such an argument seriously. I claim, and I have given a good deal of thought to all the details of this matter, I do not believe there is any Member of this House who knows more about the details of the operation of this tax, of the position in regard to the cost of production of matches, of the position in regard to the retailing of various units of boxes of matches. I do not believe that there is any Member of this House—however much he may know about the habits of Indians—who knows more about the technical position regarding that.

Dr. P. N. Banerjea: I am prepared to accept that.

The Honourable Sir Jeremy Raisman: It is a matter into which I have gone with great care, and it is my considered conclusion that the proposals which I have made are not unfair to the trade and they do not make it impossible for matches to continue to be retailed at the price, which is the next point above the price previously existing.

Dr. P. N. Banerjea: 1½ pice.

The Honourable Sir Jeremy Raisman: 1½ pice for the 40 stick match box, that is, to take one example. Of course, there are other units. I am satisfied that the present duty at the present costs does not make it impossible for the box of 40 sticks to be retailed at 1½ pice and I am prepared to arrange.

Dr. P. N. Banerjea: You will guarantee that prices will not go beyond that.

The Honourable Sir Jeremy Raisman: There is one point to which I must draw the attention of the House and which might cause confusion. There are certain municipalities which levy octroi on the basis of the cost of the commodity. Although it is contrary to all rules of economics and taxation, they actually in some places levy octroi on the taxed cost of the commodity, that is to say, in the case of matches, they would levy octroi not on the intrinsic cost of the commodity, but on the cost of the commodity plus the tax which is levied by the Centre.

Dr. P. N. Banerjea: Barring those municipalities.

The Honourable Sir Jeremy Raisman: If you bar those municipalities, if you exclude the element of local taxation, then I am prepared to guarantee that steps will be taken to make it possible for the match box to continue to be retailed at a price corresponding to 1½ pice for a box of 40 sticks.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and four annas' be substituted"

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and eight annas' be substituted"

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That in clause 3 of the Bill, in clause (a) (i) of the proposed section 4, for the words 'two rupees' the words 'one rupee and twelve annas' be substituted"

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That clause 3 stand part of the Bill"

The motion was adopted

Clause 3 was added to the Bill

Dr. P. N. Banerjea: I beg to move.

"That after clause 3 of the Bill the following new clause be inserted and the subsequent clauses be re-numbered accordingly."

'4 In Section 19 of the Matches (Excise Duty) Act, 1934—

(a) in clause (i) for the words 'ten pies' the words 'one anna and eight pies' shall be substituted

(b) in clause (ii) for the words 'one anna and three pies,' the words 'two annas and six pies' shall be substituted.

(c) in clause (iii) for the words 'one anna and eight pies' the words 'three annas and four pies' shall be substituted".

The object of moving this new clause is to double the rate of rebate which is allowed to the cottage match industry. When in the year 1934 the rebate was allowed to the cottage match industry the object was to foster this industry which had almost been brought to its last legs by competition with the machine-made product. It is reasonable now for the Finance Member who is seeking to double the duty on matches to accept this modest proposal to double the rate of rebate on matches produced by hand.

In this House, a few years ago, I believe it was two years ago, a Resolution was moved urging the Government to give a substantial protection to the cottage match industry as against the mill-made match industry. That Resolution was carried by an overwhelming majority of this House consisting of almost all sections. Now, Sir, I do not go so far as that on the present occasion. I want that things should remain as they stand at the present moment. When the Finance Member doubles the rate of duty, I urge that the rate of rebate for the cottage industry

should also be doubled. This is a very reasonable demand and I hope the Finance Member will see his way to accept it. I may add that it will not result in a substantial loss of revenue because the cottage match industry does not produce a large quantity of matches. The quantity produced by the cottage industries is very small compared with the huge amount which is produced by the mill industry. Therefore, there is no likelihood of a substantial reduction in revenue. I hope, therefore, the Honourable the Finance Member will accept this modest proposal of mine.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That after clause 3 of the Bill the following new clause be inserted and the subsequent clauses be renumbered accordingly

'4 In Section 19 of the Matches (Excise Duty) Act, 1934—

- (a) in clause (i) for the words 'ten pies' the words 'one anna and eight pies' shall be substituted
- (b) in clause (ii) for the words 'one anna and three pies,' the words 'two annas and six pies' shall be substituted
- (c) in clause (iii) for the words 'one anna and eight pies' the words 'three annas and four pies' shall be substituted"

Mr. J. D. Boyle (Bomaoay European) Mr. President I wish to speak very briefly in opposing this suggestion. The point was debated at some length two years ago and I do not think it is necessary to repeat all the arguments then advanced. The point at the moment is if there is an increase in rates, there is immediately a premium on a good match. A man who is going to pay more for his matches is going to see that he gets value for his money. I venture to suggest that not even the most ardent supporter of the home made match would support the proposition that a match produced under such conditions is anything more than half as good as a properly made machine match from a factory. That is why this demand has been put up for extra protection. The higher the rate goes, the more value will the purchaser demand for his money and in this connection I shall quote a very few lines from a report which has been quoted several times in this House, namely, the report of the Tariff Board which examined this question. They said

"We consider that the manufacture of matches organised as a cottage industry has hardly any future, and that on account of the dangerous character of some of the materials employed in it, it is not a fit industry for development on cottage lines. We cannot therefore recommend any special measures for the encouragement of cottage match factories."

Dr. P. N. Banerjea: That is not a special measure at all

Mr. J. D. Boyle: A special measure was introduced and on the last occasion when the rebate was given I entirely disagreed with it. It was an important departure in my opinion from the principles on which Government have decided these matters and I am all the more against the doubling of this rebate because of the mistake that was originally made.

Dr. P. N. Banerjea: A rebate was not given two years ago

Mr. J. D. Boyle: A rebate has already been given and it is proposed to double it. Because a mistake was originally made, I do not accept the argument that because of that you should now double that mistake.

[Mr J D Boyle]

Sir, I need not go into a great number of details. I am sorry to see that my Honourable friend, Mr Joshi is not there, because a distinguished colleague of his, who was a member of the International Labour Office at Geneva wrote what is by far the best report on the subject of the cottage industry in relation to matches and it was made quite clear from that that the manufacture of matches as a cottage industry was peculiarly unsuitable. It was made quite clear that nobody is going to allow cottagers to make matches in their own homes, the workers are scattered over a very considerable distance and the cost of collection is so considerable that prices would be affected. A close examination of the position has shown that in all cases the workers are made to come together to a central organisation. In most cases these cottages are in a row and the workers are placed in those cottages in just sufficiently small numbers to avoid attracting the provisions of the Factory Act. There are as many as 60 people engaged in cottages which are situated side by side. Under no circumstances can you call them a cottage industry in the ordinary sense of the word. You have wretched conditions, wretched wages and, to be quite honest, they produce a wretched match.

Dr. P. N. Banerjea: Have you visited them?

Mr. J. D. Boyle: I have. With one exception, I can speak on this subject with greater authority than any Member of this House. If I may relate what occurred on the last occasion when I spoke on this matter, an Honourable friend of mine who is not in the House today but has been present all through the Session, challenged my statement that it was a wretched match and offered to produce a box. He asked me to strike one and I told him that it would not be a proper thing to do in the middle of the Assembly while sitting. He said 'they are quite safe, they will not strike' and they didn't. We took it to the lobby and struck without success quite a number of matches.

Dr. P. N. Banerjea: The whole House objected! Look up the debates.

Mr. J. D. Boyle: Now, Sir, I cannot over-emphasize the conditions under which these people work. I would just like to remind Honourable Members, since my friend, Dr Banerjea, asks me to look at the debates last time. The two principal speakers were Mr B Das, and Mr Bhulabhai Desai. Mr Das admitted that a suitable cottage industry would have to produce a considerable number in order to be able to compete economically and he thought that an economic number for a cottage industry to produce would be 200,000 matches a day. If anybody puts forward the proposition that a cottage industry can produce 200,000 matches a day, it is not my idea of a cottage industry. Mr Bhulabhai Desai, the Leader of the Opposition, made a frantic attempt to save the debate from the bad position into which it had got. (Interruption from Dr P N Banerjea) The Honourable Member, if he wants to interrupt, can get up and interrupt.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member should not go on interrupting in this way.

Mr. J. D. Boyle: Mr Desai attempted to raise the whole debate into a discussion on the fiscal policy of Government generally and he got into such deep water that he was arguing at one moment that the cottage

industry should be encouraged and at the next that a factory industry should be organised.

Before I sit down, I should like to quote what the Finance Member's predecessor at that time said in relation to what had fallen from the Leader of the Opposition. He said It is clear from the speech of the Leader of the Opposition that the following is his chain of thought. First of all, we must have industries, therefore, we must have protection, and, therefore, by the process of very high protection you keep the foreign product out and you start factory industries in India. Then you get to the stage when you have your factory industry,—and another idea comes to you. Are we so right in wanting factories? Is not what we want cottage industries? We must kill these enormous and obscene growths and we must go back to the cottage industry. Therefore, you take measures for encouraging the cottage industry and for destroying the factory industry. At the end of that process, I would like to point out to you what in fact happens. Your revenue has been destroyed.

Therefore, I maintain that both from the point of view of the workers who work under wretched conditions for wretched pay, from the point of view of the consumer who gets a wretched march and on account of the revenue that is lost there is no ground whatsoever for supporting this extra rebate.

Mr. Husenbhai Abdulla bhai Laljee: I do not wish to speak at length on this motion but I do wish to say something about the cottage industry. I have been in this industry for a number of years and I can tell you this much that so far as the condition of the people is concerned, they do want some employment, as they are really starving in the villages. The conditions in our villages are quite different from those existing in Europe and that is why we do want something to be done for the cottage industry. Now, Sir take the instance of what is being done in the cottages. We find small units and in those small units matches are being prepared, and these units do pay them whatever little they can have out of that. It is not that there is any kind of forced labour—just as we have had in some Indian States. Formerly, I mean not now where they were made forcibly in the village, but now if in a village women do get work they most willingly work for the maintenance of members of their family to save their starving children. How is it that we should interfere? Why should we not protect them and give them some employment? What is suggested is this—do not give them any employment. They say there is no need of giving any employment to them and they should not be ever allowed to work in the cottages. Sir, the health in the cottages is very much better, provided food is provided and so on, and so far as I was interested in observing these conditions during the last ten years that this work has been going on, I find that they are going on very well but they do require some help and that help must be forthcoming.

So far as industries are concerned so far as working by machinery under the Factories Act is concerned, certainly conditions do become bad in the cities and bigger towns and there it is that we shall have to apply the Factories Act and labour will insist upon that. Therefore, there is nothing whatever in the point, in what my friend says, about the condition of labour in cottages and about their wretched condition, nor for the matter

[Mr. Husenbhai Abdullahe Laljee]

of that it is right or correct to say that matches they make are not saleable Sir, if they make matches which are not saleable, then nobody is going to buy them I do not know how my Honourable friend, Mr. Boyle, got that match box, about which he spoke but it may be that he has got one match box which has deteriorated by reason of the climatic effect, and this naturally also happens when match boxes are manufactured with the best machinery and you can very well say the same about them Sir, the Tariff Board pointedly in their report have said that the Indian manufacturers have manufactured one of the best qualities of matches, and that it has been pointed out in that report that a certain kind of propaganda by foreigners has been often used against the Indian manufacturer to prejudice its buyers and I hope that that sort of propaganda does exist even now Finally, I do hope that the Government will agree that the cottage industry does deserve consideration and that they must at least give them some protection so that they may not be starving all the time

The Honourable Sir Jeremy Ralsman: Sir, this amendment has a certain *prima facie* plausibility and I must admit that it would have appealed to me if I had not taken some care to inquire into the conditions in which the cottage industry operates It is not that any large amount of money is involved At the same time I must rebut any suggestion that whenever a tax is increased, what is in effect a subsidy which was given for the encouragement of a cottage industry must be increased by the same amount That obviously is untenable A subsidy to a cottage industry should be related to the cost of producing matches and not to the duty levied on matches But I regret to say that on such inquiry as I have been able to make into the matter, it is not merely the case that the justification for increasing the subsidy to the cottage industry is inadequate but I firmly believe that any amount which I gave up would not find its way into the pockets of these poorer workers for whom the Members of this House are naturally sympathetic I regret that so far as I can make out the organization of this industry, it would merely mean that, if I increased the subsidy, I should be giving money away to a class which I have no desire to help, and they are not the cottage workers Until I can see this industry organized in a manner in which the benefits which accrued would go to the village worker, the cottage worker, I must refuse to give any additional assistance, however small, by way of an increased subsidy. I am sure that Dr Banerjea, if he is familiar with the conditions in the industry, knows what I am referring to, I do not wish to tire the patience of the House in the matter, but the fact remains that whereas *prima facie* this is a case which would seem to have justification, in fact it is not and if it could be proved to my satisfaction that these cottage workers would be helped, and that the necessity for a subsidy is there, I would have an open mind on the subject For this reason, Sir, I regret I cannot accept the amendment moved by my Honourable friend

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That after clause 3 of the Bill the following new clause be inserted and the subsequent clauses be re-numbered accordingly

⁴ In Section 19 of the Matches (Excise Duty) Act, 1934—

(a) in clause (1) for the words 'ten pies' the words 'one anna and eight pies' shall be substituted

- (b) in clause (ii) for the words 'one anna and three pies' the words 'two annas and six pies' shall be substituted
- (c) in clause (iii) for the words 'one anna and eight pies' the words 'three annas and four pies' shall be substituted"

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is :

"That clause 4 stand part of the Bill"

The motion was adopted

Clause 4 was added to the Bill

• **Mr. President** (The Honourable Sir Abdur Rahim) The question is

"That clause 5 stand part of the Bill"

Dr. P. N. Banerjea: Sir, I move

"That in clause 5 of the Bill, for the words 'five annas' the words 'four annas' be substituted"

Sir, this relates to the duty on artificial yarn I made it clear in the course of my speech on the general discussion on the Budget that I welcomed this additional duty, because I thought that it would help the natural silk industry of India I still hold that view But the fact is that Sir Homi Mody pointed out that this would do some harm to the artificial silk piecegoods industry and in order to accommodate him, I tabled this amendment I, personally, hate artificiality of all sorts, but I find that Finance Members and capitalists are competing with one another in various fields of artificial activity, such as cigars, wines and Turkish baths, and I would not condemn the common man if his poverty compels him to use artificial silk in preference to natural silk That is my object in moving this amendment If, by reducing slightly the amount of duty on the yarn and putting on an additional duty on artificial piecegoods, some service could be rendered to the piecegoods business, I would not grudge it But I find that my Honourable friend does not take this matter seriously Now, Sir, I have always noticed that these capitalists make very brave speeches, but when the time comes for voting or moving amendments, their courage always fails them With these few words I move my amendment

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That in clause 5 of the Bill, for the words 'five annas' the words 'four annas' be substituted"

Sir H. P. Mody (Bombay Millowners' Association Indian Commerce) · Sir, I want to follow up my "brave" speech by supporting v. m. the amendment and voting for it

The Honourable Sir Jeremy Raisman: Sir, I have already said a good deal on this subject and I do not propose to say any more at this moment except that apparently the amendment was moved because Sir Homi Mody was lacking in courage and it has now been supported by him merely to preserve his facade I oppose the amendment

Mr. President (The Honourable Sir Abdur Rahim) The question is :

"That in clause 5 of the Bill, for the words 'five annas' the words 'four annas' be substituted"

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) The question is

'That clause 5 stand part of the Bill"

The motion was adopted

Clause 5 was added to the Bill

Clause 6 was added to the Bill

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That clause 7 stand part of the Bill"

Mr. Lalchand Navalrai: Sir, I move

'That in clause 7 of the Bill, for the words 'one third of each such rate, wherever they occur, the words 'twenty-seven per cent' be substituted"

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in clause 7 of the Bill, for the words 'one-third of each such rate', wherever they occur, the words 'twenty seven per cent' be substituted"

Babu Baijnath Bajoria (Marwari Association Indian Commerce) Sir, I move

"That in clause 7 of the Bill, for the words 'one thind' wherever they occur, the words 'one fourth' be substituted"

Mr. President (The Honourable Sir Abdur Rahim) Further amendment moved

"That in clause 7 of the Bill, for the words 'one thind', wherever they occur, the words 'one-fourth' be substituted"

Mr. Lalchand Navalrai: Sir, this clause now refers to the surcharge which is being increased from 25 per cent to 33 1/3 per cent. The ordinary income-tax has been increased from time to time and the popular protest has been against its increase. The popular view at present is that even the ordinary income-tax has reached its taxable capacity. This question of increase in the income-tax came before this House in November last when the 25 per cent surcharge was being raised. The fate with which the Finance Bill met at that time is well-known. It was thrown out. That marked the popular verdict with regard to the surcharge of even 25 per cent. That condition still remains. The present view of the public is also that this increase from 25 per cent to 33 per cent will overburden them in such a manner that they will not be able to pay even the ordinary income-tax. Sir, it is a well-known fact that the income-tax is not paid willingly, not that the people are not willing to pay but because it overburdens them. It is well-known that the income-tax is being realised either under coercion or under compulsion or by the various ways of the Income-tax Officer, into which I do not want to go at present. I only want to say that this last time a surcharge was raised against the popular view for which there is no help now. I have, therefore, suggested that it should not be further increased to 33 1/3 per cent at once but if at all it be raised only slightly so that we may be able to judge the effect of it. I have suggested that instead of raising it at once to one-thind let it be raised from 25 per cent to 27 per cent. With these few words, I move my amendment.

Babu Baijnath Bajoria: Sir, much has been said in this House about taxation *vis-a-vis* borrowing and the theory of it has been discussed at great length both by Sir Cowasji Jehangir and has been replied to by the Honourable the Finance Member. I do not want to go into those theories, but as a businessman I will say that there should be both taxation and borrowing. What I feel is that the Honourable the Finance Member has relied much more on taxation than on borrowing and has been increasing the taxation for the last year and a half. During the last one year and a half the burden of taxation has gone up by 25 crores of rupees. Then, there is the question of direct taxation and indirect taxation. Here, again the Honourable the Finance Member has also been very unjust to the commercial community and has forced up the direct taxation very considerably during the last three years. This income-tax is one of the main heads of direct taxation.

Mr. President (The Honourable Sir Abdur Rahim) These are all points of general consideration. The Finance Bill has been discussed for six days and all aspects of it have been discussed and the Chair cannot allow them to be repeated. The Honourable Member may not have been here. The Honourable Member had better confine himself to the amendment.

Babu Baijnath Bajoria: Sir, my amendment is that the income-tax should not be increased.

Mr. President (The Honourable Sir Abdur Rahim) But the Honourable Member cannot go into general questions.

Babu Baijnath Bajoria: I am not going into general questions very much. I am just speaking on the point that the income-tax in this country is very heavy. In 1937-38 the amount realised from income-tax was 14½ crores and it has been estimated to be 40 crores in 1941-42. This is a very big increase in the income-tax and as the income-tax falls mostly on commercial people and on industries—I think I am right in saying that 75 per cent of this tax comes from the commercial community and industries—it is not desirable that the Finance Member should go on taxing the commercial community and the industries over and over again and increase this tax, which is already on a very high level, by further increasing the surcharge on income-tax from 25 per cent to 33 per cent.

Mr. President (The Honourable Sir Abdur Rahim) All that has been said

Babu Baijnath Bajoria: This is exactly my amendment. Sir, there has been an under-estimate by the Finance Member.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot go into all these points. He must confine himself to the amendment. It is a well-known rule of the House.

Babu Baijnath Bajoria: I have to prove .

Mr. President (The Honourable Sir Abdur Rahim) All that has been fully discussed. The Honourable Member may not have taken part in the discussion.

Babu Baijnath Bajoria: I am saying that the surcharge should not be increased, from one-fourth to one-third

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member might like to go into the whole question, but it cannot be allowed now

Babu Baijnath Bajoria: I am speaking only on this particular amendment

Mr. President (The Honourable Sir Abdur Rahim) Income-tax is the most important part of the Finance Bill, and that has been discussed fully. The Honourable Member cannot go into all that. It has been fully discussed for six days and to which replies have been given

Babu Baijnath Bajoria: I may say, Sir, that during the discussion on the Finance Bill, most of the speeches of Honourable Members concerned only with all other subjects excepting the increase of income-tax

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is quite mistaken. The Chair has been listening to all the speeches. The Chair cannot allow the Honourable Member to go into the whole question again

Babu Baijnath Bajoria: I only wish to refer as far as income-tax is concerned

Mr. President (The Honourable Sir Abdur Rahim) It opens up an integral part of the whole scheme

Babu Baijnath Bajoria: If that is your ruling, Sir, then I resume my seat

The Honourable Sir Jeremy Raisman: If I may say so, Sir, as you have pointed out, the question of the amount of direct taxation which could fairly be levied and also the amount that should have been left to be filled by borrowing was very fully discussed during the general debate on the Finance Bill and I have nothing to add to what I said at that time. My Honourable friend, Babu Baijnath Bajoria, was not here to hear that part of the debate or the discussion of the effect of the new proposed taxation on business, but I gave my reasons for thinking that the level of direct taxation which I proposed in this Budget was one which could be borne by industry and commerce in the present economic conditions of the country. Therefore, I have nothing to do but to oppose the amendment

Mr. President (The Honourable Sir Abdur Rahim) The question is: "That in clause 7 of the Bill, for the words 'one-third of each such rate', wherever they occur, the words 'twenty-seven per cent' be substituted."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) The question is: "That in clause 7 of the Bill, for the words 'one-third', wherever they occur, the words 'one-fourth' be substituted"

The motion was negatived.

Dr. P. N. Banerjea: Sir, I beg to move

"That to part (a) of sub-clause (1) of clause 7 of the Bill, the following proviso be added

'provided that such increased surcharge shall not apply to incomes below rupees five thousand per annum' "

Sir, one of the fundamental principles of public finance is that taxation should be adjusted to the ability of the people to pay. Now, when we levy additional taxation, we should consider whether the persons on whom this additional taxation falls have the capacity to bear this burden. Sir, in my opinion, the persons whose incomes are below Rs 5,000 do not possess any capacity to bear the additional burden. The other day, the Honourable the Finance Member observed that persons whose incomes were below Rs 5,000 per annum were given some amount of advantage when the new Income-tax Act was passed. That is true. But why was it given? It was given because this section, the poorer section of the middle classes deserve to get such advantage. Now, Sir, if that was so three years ago, it is incumbent on us to examine whether the conditions of this poorer section of the middle classes have improved in the meantime, so that it has now acquired greater capacity to pay or not. My own view is that this poorer section of the middle classes is worse off now than it was three years ago. The cost of living has increased substantially and persons belonging to this section have fixed incomes. Their incomes have not advanced to any extent during these two or three years, and last year an additional burden was placed on this section of the middle classes, and now to impose a further burden on this poorer section of the middle classes would be wholly unjustifiable. On this ground, I urge that this class should be exempted from the additional taxation which is to be levied on income-tax payers. If this is done, a great justice will have been done to the poorer section of the middle classes, and no great harm would ensue to the revenue. I am unable to calculate what sum will be involved, but it is possible it will amount to 25 or 30 lakhs and not much more than that, but if by sacrificing this amount of revenue you can help a deserving section of the community, I think it is the duty of the Government to do so. With these words, I move my amendment.

Mr. President (The Honourable Sir Abdur Rahim), Amendment moved

"That to part (a) of sub-clause (1) of clause 7 of the Bill, the following proviso be added

'provided that such increased surcharge shall not apply to incomes below rupees five thousand per annum' "

The Assembly then adjourned for Lunch till Half Past Two of the Clock

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr Deputy President (Mr Akhil Chandra Datta) in the Chair

The Honourable Sir Jeremy Raisman: Sir, I regret I must oppose Dr Banerjea's amendment. It is not quite clear whether his intention is that persons with an income below Rs 5,000 per annum should be let off the whole of the surcharge above the rates fixed on the slab system or whether his idea was that they should be let off the increase over the rate of sur-

[Sir Jeremy Raisman]

charge which is generally taken as 25 per cent which was fixed in November last Strictly speaking, of course, it was only 8 1/3 per cent for the year as a whole but it was based on the idea of a 25 per cent surcharge for the full year

Dr. P. N. Banerjea: I meant the increase in the surcharge

The Honourable Sir Jeremy Raisman: I must then point out that the effect of his amendment is to exempt them from the whole of the surcharge, because what clause 7 (b) (i) does is, without reference to any previous surcharge, to enact a surcharge for the year 1941-42 of one-third, and such increased surcharge can only refer to the surcharge which is contained in the clause. However, whether his intention be to exempt them from the whole of the surcharge or from the latest increase I must oppose it. The effect of the amendment as worded .

Dr. P. N. Banerjea: It is clear, the words there are "increased surcharge"

The Honourable Sir Jeremy Raisman: But the wording of the clause is "rates of income-tax increased in each case by a surcharge for the purposes of the Central Government amounting to one-third of each such rate". So that the words "increased by a surcharge" also occurs in the clause and there is no reference to any surcharge other than the surcharge of one-third which the Bill proposes to impose. So that the effect of the amendment as it stands would be, on a rough and ready calculation which I have endeavoured to make, that it would cost us something of the order of 48 lakhs which I certainly cannot afford. But on the merits too I pointed out on a previous occasion that this is the class which benefited by the revision of rates which was embodied in the slab scale, and it is to my mind anomalous that they should be again selected for a special exemption from a burden which is being applied to all income-tax payers. But since Dr. Banerjea says that his object was to exempt these people from the effect of the last increase in surcharge, I must point out that even at the top of this range, i.e. those who are most heavily affected by this surcharge, I calculate that the effect of it is of the order of Rs 1/8/- per month. I do not think that people who are enjoying an income of Rs 5,000 a year or very little less than that are being asked to bear an undue burden when they are subjected to a surcharge which in their case has so small an effect. Sir, I oppose

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That to part (a) of sub-clause (7) of clause 7 of the Bill, the following proviso be added

'Provided that such increased surcharge shall not apply to incomes below rupees five thousand per annum' "

The motion was negatived .

Mr. Deputy President (Mr Akhil Chandra Datta) The question is.

"That clause 7 stand part of the Bill "

The motion was adopted

Clause 7 was added to the Bill

Mr. Deputy President (Mr Akhil Chandra Datta) The question is:

"That clause 8 stand part of the Bill "

Babu Baijnath Bajoria: Sir, I move

"That in sub-clause (2) of clause 8 of the Bill, for the words 'sixty-six and two-thirds per cent' the words 'fifty per cent' be substituted."

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That in sub-clause (2) of clause 8 of the Bill, for the words 'sixty-six and two-thirds' the words 'fifty five' be substituted"

Mr. Lalchand Navalrai: Sir, I move

"That in sub-clause (2) of clause 8 of the Bill, for the words 'sixty-six and two-thirds per cent' the words 'fifty per cent' be substituted."

Mr. Deputy President (Mr. Akhil Chandra Datta) Further amendment moved

"That in sub-clause (2) of clause 8 of the Bill, for the words 'sixty six and two-thirds' the words 'fifty-five' be substituted."

Babu Baijnath Bajoria: Sir, the Finance Member has said that this sixty-six and two-thirds per cent is a respectable figure of taxation though some one has whispered to him that it should be raised even to one hundred per cent. He has also made it clear that those who whispered this were very cautious people and they knew that they would not be affected. In my opinion, Sir, 50 per cent is already a very respectable figure and sixty-six and two-thirds per cent would be a very autocratic figure and it will be very harsh on the industries. Sir, the Commerce Member the other day said that the industries must conserve their resources for the rainy day of the future when war ends and they must not fritter away the profits which they make at the present time. But the Finance Member by the excess profits tax and the increased income-tax is taking away about 80 per cent of those increased profits, and in my opinion he is the person who is most guilty of frittering away the resources of the companies,—frittering away in this sense that they will have to pay these taxes and will not be able to retain most of the income which they will earn at this time of war.

The yield from the excess profits tax which has been expected by the Honourable the Finance Member during the current year is only one crore more from the remaining assessments. I doubt that this is a very great under-estimate and he will get much more and there is no necessity for further increasing this excess profits tax to this high level of 66-2/3 per cent. The industries are already very heavily taxed in all directions by direct taxation and indirect taxation and by taxation from the Centre and the Provinces and local bodies, and it is now proper that they should be so squeezed that whatever money they may make they have to pay most of it in taxes either in the centre or in the provinces. Apart from this taxation we have to look also to the shareholders point of view. The shareholders of many industries have not been getting any dividend or very little dividend during the past few years, and when those industries are looking up a bit and are making profits they are naturally expecting to get a share during the time of prosperity, as they were suffering without dividends or very little dividends during times of adversity. This point has not been well looked into or given due consideration at the hands of the Finance Member. Another point is that all the industries that are making profits are not making profits out of supplying war needs. So it will be very unfair to tax those industries to this very great extent. With these words I would commend this amendment to the House.

Mr. Lalchand Navalrai: Sir, I do not know how the Honourable the Finance Member got fascinated with this 66-2/3 per cent. He has not given us any figures to show that he cannot do without this percentage. He gets 50 per cent already, and it is not known how he arrived at this figure of 66-2/3 and not any lesser figure. I am not a man who makes excess profits. My friend, the previous speaker, may be making excess profits but I am disinterested in that direction. But my fear is this, that it may be that the production by the industry may get less. Industry may get discouraged and they may say their balance of profit will not be large enough to keep them up, from that point of view I say that the percentage should be reduced. My friend, Mr. Bajoria, has asked for a reduction to 50 per cent, but I am throwing a better bait to the Finance Member—55 per cent that is only to induce him to come round because there is no question of any figures on which we can work. We can only ask for some concessions. I would, therefore, request the Finance Member to consider the position and to come to a lesser figure than the one he has proposed.

The Honourable Sir Jeremy Ralsman: Sir, I have only one or two remarks to make in opposing this amendment. I would like to draw the attention of the House to the fact that the great majority of assesses who will become liable to excess profits tax are already established industries and trades and that in many cases the excess profits arise in present conditions with extraordinarily little effort. They arise from an enhanced turnover due to the imperative demands of the war. They require remarkably little initiative or enterprise and they involve an almost negligible element of risk. It simply is that you get a far larger turnover—there may be some increase in overheads, but these are always allowed as expenses—but the whole volume of the business has increased to a tremendous extent by circumstances for which the entrepreneur or industrialist is really hardly responsible at all. That is the common type to which the excess profits tax applies. Whereas, all the special arguments that are adduced against an increase in the excess profits tax are drawn from the special case of some new industry. I yield to none in my desire to stimulate these new ventures and to give them a fair chance and I believe that the provisions which were introduced in the Excess Profits Tax Act before it was passed do enable that desire of mine to be fulfilled. But I cannot allow those special arguments to be continually paraded in order to prevent the application of a higher and justifiable rate of tax to businesses and industries in whose case the question of venture or new departure hardly arises at all. I would remind the House once again that by adopting certain options for the standard periods they allowed to trade and industry as a whole the facility to choose very favourable basic periods for the calculation of excess profits, so that it is true to say that in the vast majority of cases if not in every case, a person who is called upon to pay excess profits tax is already making peak profits, apart entirely from the excess which he is making. In other words, even if it were the case that I had succumbed to the suggestions of those who advocated a hundred per cent excess profits tax, I would still be able to claim that those to whom the tax was applied were the fortunate ones—since the new level of their profits exceeded the highest peak in any of the standard years which it was open to them to choose.

Mr. Lalchand Navalrai: Why not close those industries altogether?

The Honourable Sir Jeremy Raisman: If my Honourable friend thinks that it is the same thing that where a business for instance made one lakh in the most prosperous former period, and it is making Rs 1,10,000 under war conditions and if that Rs 10,000 is subjected to specially high taxation—if my friend thinks that to subject it to such taxation is the same as asking it to close up altogether, then I am afraid he is beyond the reach of any argument which I can adduce Sir, I oppose the amendments

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That in sub clause (2) of clause 8 of the Bill, for the words 'sixty six and two-thirds per cent' the words 'fifty per cent' be substituted"

The motion was negatived

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That in sub clause (2) of clause 8 of the Bill for the words 'sixty six and two thirds' the words 'fifty-five' be substituted"

The motion was negatived

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is "That clause 8 stand part of the Bill"

The motion was adopted

Clause 8 was added to the Bill

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That the Schedule stand part of the Bill"

Mr. Lalchand Navalrai: I beg to move

"That in the Schedule to the Bill, in the proposed FIRST SCHEDULE to the Indian Post Office Act, 1898, for the existing entries under the head *Letters* the following be substituted

* For a weight not exceeding one tola one anna
For every tola, or fraction thereof, exceeding one tola . three pies . "

We have now reached the stage of the postage on letters and the next will deal with the postage on postcards. The postage on letters is one anna and three pies, and I want that to be reduced to one anna, and that further charge should be reduced to three pies from six pies. We know of those days when the letter postage was six pies and that on cards was one pice

An Honourable Member: Good old days!

Mr. Lalchand Navalrai: We are economically now the same or even worse off. Those were good days. Government should help in unrestricted communication, and there should be no monetary obstacle or economic obstacle in the way. This one anna and three pies was imposed in November last. Before that, since 1935-36 it was one anna on the letter, and this continued till November, 1940, when it was increased by the Finance Act of that month to one anna and three pies. That was not accepted by the House. The whole Finance Bill was on that account also thrown out. It was by certification that we have been made to pay at the rate of one anna and three pies for a letter. I submit that should not be done. This year has been a prosperous year for the postal department.

[Mr. Lalchand Navalrai.]

We find that there is a surplus of 90 lakhs. When there is a deficit they will say they have to make up the deficit, and when there is a surplus they say, we won't give you any the less with regard to the charges on postal letters and cards. When there is a deficit the stamp duty should be raised, and when there is an excess or surplus it should be reduced, and the Government cannot but accept that position. Then the question arises, why is it that they are not going to reduce it? We will hear again the same old argument paraded that this is for the purpose of helping in the war effort. But, Sir, both sides have to be looked at. This reduction will not in any way or to an appreciable extent affect the war effort. It is only a question of giving convenience to people to send their letters. If the present charge is continued, people may not write so many letters, or they must have curtailed it already. I do not know how the figures are since last November. That will mean less income for the Government. From all these points of view, I should think that the same stereotyped reply should not be given. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That in the Schedule to the Bill, in the proposed FIRST SCHEDULE to the Indian Post Office Act, 1936, for the existing entries under the head *Letters* the following be substituted

* For a weight not exceeding one tola	one anna
For every tola or fraction thereof, exceeding one tola	three pies."

Sir Gurunath Bewoor (Director General, Posts and Telegraphs) Sir, the amendment which is proposed not only takes away the extra quarter anna on letters of a weight not exceeding one tola which was put on by the last Finance Act, but it proposes to reduce the charge for every succeeding tola from half an anna to quarter anna. The proposal has been supported by the argument that the Postal Department has made a surplus and, therefore, it should give relief to the user of postal service. It is perfectly true that the year 1939-40 has showed a surplus of nearly 90 lakhs.

Mr. Lalchand Navalrai: You made it for the war

Sir Gurunath Bewoor: But it was pointed out by the Honourable the Finance Member on the occasion of his budget speech in 1940 that this surplus was due almost entirely to the increased traffic resulting from the war and must, therefore, be regarded as of a transitory nature, and that it would be unwise to base on it any policy of rapid expansion of the activities of the Department or of a reduction in the existing rates.

Mr. Lalchand Navalrai: Where are the figures to show that?

Sir Gurunath Bewoor: The surplus for the year 1938-39, which was not a war year, was only 19 lakhs of rupees. The Honourable Member knows that war was declared in September, 1939, and from the figures we have got it is clear that both the postal and telegraph traffic have increased to an enormous extent. For the current year the surplus is expected to be 101 lakhs. It is true that it is a large surplus, but this, again, is due to the increased traffic resulting from the war and to the imposition of certain increases in rates which were definitely put on as a taxation measure for the purpose of earning revenue to meet war expenditure. The taxation portion of the surplus for the current year is expected to be 33 lakhs, and

for the next year it is anticipated to be 100 lakhs, so that out of the surplus of 140 lakhs which is anticipated for the next year, the real surplus is only 40 lakhs, the remaining 100 lakhs being the proceeds of taxation. The proposal which the Honourable Member has made would in our estimate involve a loss of revenue to the total extent of 117 lakhs. This would therefore practically wipe off all the surplus for the next year and it will wipe off the effect of the taxation which was definitely put on by the last Finance Act.

It is perfectly true that an increase in the letter rate would reduce the letter traffic. Allowance has been made for it, but even after making allowance for any reduction, certain additional revenue is bound to be derived and it is on that that our estimates are based and, therefore, in the present state of the finances of the Government of India as a whole it is out of the question to give any reduction in the letter rate.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That in the Schedule to the Bill, in the proposed FIRST SCHEDULE to the Indian Post Office Act, 1898, for the existing entries under the head *Letters* the following be substituted

"For a weight not exceeding one tola	one anna
For every tola, or fraction thereof exceeding one tola	three pies."

The motion was negatived.

Mr. Lalchand Navalrai: Sir, I move

"That in the Schedule to the Bill, in the proposed FIRST SCHEDULE to the Indian Post Office Act, 1898, for the existing entries under the head *Postcards*, the following be substituted

"Single	Six pies
Reply	One anna."

The cost of the post card was one pice only but it came to be raised in 1896 to nine pies. That was done as an emergency measure but the promise was given that it would be reduced. In 1897 it was reduced by a popular vote because the Government would not reduce it even though there were promises to that effect. In 1898 it was reduced by a popular vote of 67 to 43. In 1898 it was again raised to nine pies by certification, as the Congress did not attend. Then, Sir, in 1899 and in 1940, also it was by certification because the Finance Bills were thrown out. In 1940, the House knows fully well that the Congress came in. This was not accepted and the Finance Bill was thrown out. With regard to this every attempt should be made to give convenience to the poor people in order to communicate with each other in these days of war, whenever they wish to communicate with their friends and relatives at long distance in the rural areas. Therefore, I request the charge may be reduced. I know the same reply would come with regard to this motion also and I need not repeat the same arguments over and over again. But I will continue my efforts till the end of the war. With these words I move my amendment.

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in the Schedule to the Bill, in the proposed FIRST SCHEDULE to the Indian Post Office Act, 1898, for the existing entries under the head *Postcards*, the following be substituted

"Single	Six pies
Reply	One anna."

Sir Gurunath Bewoor: I very much regret that my speech must be the same as I made last year, because the Honourable Member has made the

[Sir Gurunath Bewoor]

same speech which he made last year All I can say is that the argument which I advanced in connection with the reduction of the letter rate applies to the present amendment as well I should like to point out that in the Finance Bill which was brought in last November, the post card was not touched at all out of considerations for the feelings of the Honourable Member and others of his persuasion I would like to remove one inaccuracy The Honourable Member said that the post card rate was reduced in 1937 I do not know what he means because actually the post card was raised to nine pies from the 15th December, 1931 and has remained at that price

Mr. Lalchand Navalrao: It was reduced by the House

Sir Gurunath Bewoor: The Honourable Member did not make that clear The present proposal even with the best anticipations of increase in traffic would involve a loss of revenue to the extent of 84½ lakhs I must on that ground oppose the motion

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That in the Schedule to the Bill, in the proposed FIRST SCHEDULE to the Indian Post Office Act, 1898, for the existing entries under the head *Postcards*, the following be substituted

Single	Six pies
Reply	One anna "

The motion was negatived

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That the Schedule stand part of the Bill"

The motion was adopted

The Schedule was added to the Bill

Clause I was added to the Bill

The Title and Preamble were added to the Bill

The Honourable Sir Jeremy Raisman: Sir, I move

"That the Bill be passed"

Mr. Deputy President (Mr Akhil Chandra Datta) Motion moved

"That the Bill be passed"

Maulvi Abdur Rasheed Chaudhury (Assam: Muhammadan) Sir, so many amendments have been moved and not one has been accepted, and the Bill is going to be passed by the official majority When the Finance Bill was discussed in the last November Session, it was discussed in all its aspects by the House and the House gave its verdict Now, let us see whether anything new has happened to make this House change its opinion At the outset, I must make it clear, so that I may not be misunderstood So far as this war is concerned, men and money must be found for the successful prosecution of the war This is my view, and whatever I may say in the third reading of this Bill, I trust I may not be misunderstood I am opposed to Fascism and Nazism and I am equally opposed to British Imperialism In the discussion of the last Finance Bill, it came out very prominently that neither His Majesty's Government nor the Government of India could make out clearly what was the aim

for which they were fighting, whether it was for the preservation and restoration of the freedom and independence of weaker nations, and whether those principles would be applied to India.

There was a declaration of the Viceroy, but it was circumscribed by so many qualifications that it was not known whether even if the Government wanted to part with power, that power would approach that which is enjoyed by other dominions. So, Sir, this House rejected the last Finance Bill. Since then, Sir, nothing has happened for this House to change its opinion in connection with this Finance Bill. The British Prime Minister is keeping his golden silence. He has not said a word even about the doubt which is in the mind of the people of India that the British war aims will not be applied to the case of India. The Secretary of State indulges in occasional outbursts, but he belies the hope which we entertained of him since he was a man born and brought up in this country. Sir, he cannot create a new war enthusiasm, let us see, Sir, why Sir, one reason is that time after time our Finance Member produces before this House a mixed Budget. By a "mixed Budget", I mean, not a separate budget for ordinary expenditure and a separate budget for the war. The result is that the mixed Budget always receives mixed reception. There is always a doubt in the mind of the people that there is some underhand reason for which a separate Budget is not prepared for the purposes of the war. There is always the doubt that the budget which is intended for the war will be continued as a peace measure also. That is the experience of this House, and that is the experience of this country.

Sir, when the super-tax was introduced at the time of the last war, it was distinctly understood, and an understanding was distinctly given, that that was a war measure, and that, as soon as the war would be over, that would cease to apply.

Dr. P. N. Banerjea: There is no quorum in the House?

Mr. Deputy President (Mr Akhil Chandra Datta): There is a quorum.

Maulvi Abdur Rasheed Chaudhury: Sir, the last war was over after four years, but the super-tax is continuing even now. So, Sir, whenever any mixed budget is produced, the country becomes suspicious and cannot show its eagerness for the war. The same suspicion even now arises that the different taxes that have been proposed in this Finance Bill may continue after the war. Sir, this mixed budget is a half-measure, I should say, it cannot create a war enthusiasm. If the Honourable the Finance Member would have taken a bold policy, he would have been able to create a better enthusiasm, if he would have come out with a proposal like this, "Well, we require so much money for the prosecution of the war, this much money must be found, but I give you the assurance that as soon as the war will be over, these measures will cease to exist", then we would have approached our constituency boldly and said, "Well, gentlemen, we are in difficulty, we want money for this difficulty, but this will not continue as soon as the war will be over", and that would have created a war enthusiasm. So far as the Finance Member is concerned, he also is put in an awkward situation due to this mild measure. He cannot put up his whole scheme all at once. Sometimes he would take resort to something and squeeze out some money from here and there, just like the milching of the proverbial cow of Sir Ziauddin Ahinad. He

[Maulvi Abdul Rasheed Chaudhury]

would then take a magic wand and approach the proverbial tiger and threaten him and kill him. Then he would take as much as he can get from that source. He would then again take a magic wand and kill the proverbial lion and squeeze out everything that he can put his hands on. Sir, there is one danger in this sort of practice in their attempt to find money for the prosecution of the war. It is true that the Finance Member gets the money he wants, but only so after a good deal of shilly-shally and after a good deal of agitation. The result is that so far as the war preparations are concerned, this country is always lagging behind, both for want of money and for want of enthusiasm.

Sir, the Finance Member said the other day that the Defence Department had prepared and trained only half a million men. He did not enlighten this House as to what proportion of this half a million men is still in India and what proportion has gone overseas. Now, Sir, this is a gigantic struggle of life and death, I should say, and these half measures ought not to have been taken for the safety of this country. Then, again, Sir, there should be a fixed principle of finding money. If it is taxation, let it be a fixed principle of taxation. If it is otherwise, that should also be fixed. But, Sir, what do we find? We do not find any fixed principle. I have said, Sir, that the empire is engaged in a gigantic struggle. It may be a very very long war nobody can say. That being so, there should be a fixed principle of taxation and a fixed principle of borrowing, so that there may not be a dearth of money at any time. Sir, at the time of the last war, the Government could create enthusiasm, because at first they introduced a ten per cent cut on high salaries.

The Honourable Sir Jeremy Raisman: No, Sir, the Honourable Member is entirely wrong.

Maulvi Abdur Rasheed Chaudhury: There was a salary cut so far as I know?

Dr. P. N. Banerjea: It was afterwards in 1931 at the time of the great depression.

The Honourable Sir Jeremy Raisman: This was afterwards in 1931.

Maulvi Abdur Rasheed Chaudhury: I stand corrected. My point is that there should be a fixed principle for finding money.

Now, Sir, if money is actually required, nobody will grudge that, but the House should be satisfied, the country should be satisfied, that there is an actual necessity for money. My Honourable friend, Sir Cowasji Jehangir, in his speech quoted facts and figures, and he found and he showed that in 1941 there was a credit balance of the Government of India with the Reserve Bank of over twenty crores. The credit balance has gone up to something like 30 or 31 crores. Now, Sir, according to the Finance Member we are in deficit for 20 crores this year. When we have got a surplus money in our hands, what is the use of fresh taxation, and what is the use of borrowing? It is an entirely wrong policy. This is not the usual policy. What do we find in our individual capacity? When we want to finance a concern and if we have got the money in our hands, we never go to borrow. But in this case the Finance Member is borrowing about 30 crores. This House will not approve of this policy unless it is thoroughly explained.

The Honourable Sir Jeremy Raisman: Will the Honourable Member kindly read the ways and means section of the Explanatory Memorandum?

Maulvi Abdur Rasheed Chaudhury: I have read that

Then, Sir, there has been a good deal of talk about the subject that a major portion of the money should be found by borrowing. It was pointed out by Sir Cowasji Jehangir that in the case of England over 140 per cent of the money is borrowed to meet the expenses of the war. Here, they have decided to raise about 6 crores by taxation and the remaining 13 crores by borrowing. There is a danger in this policy. The danger is that if this war is going to be a long one, there will be difficulty in finding money afterwards. The borrowing then will have to be on a very high rate of interest. You are limiting the resources of the country by taxing people and you are reducing the paying capacity of the people by means of this taxation. This will make capital shy. On this point there have been many speeches, and I do not want to repeat those arguments, but the fact remains that this taxation is creating a scare which will re-act very adversely on the money market of future years. If the present resources of the country are curtailed, the future payment will be very difficult. So, this House, I think, will not approve of so large a portion of the deficit being met by taxation.

Then, Sir, as to the question of the deficit, we have got to depend entirely on what the Finance Member says. We are not satisfied that there is actually a deficit. Where is the document to show that there is actually a deficit? Has it been found out by any Inquiry Committee or by anybody else that there is actually a deficit?

The Honourable Sir Jeremy Raisman: Will the Honourable Member please, prove to me that there is a war going on?

Maulvi Abdur Rasheed Chaudhury: I approve of the suggestion made by Dr Sir Ziauddin Ahmad in this connection. He said that before a deficit is brought about, he must be satisfied by a small Committee who could examine the deficit in all its aspects.

The Honourable Sir Jeremy Raisman: There is only one aspect of it, and that is the *minus* aspect.

Maulvi Abdur Rasheed Chaudhury: Another thing which must be borne in mind in this connection is that there is a good deal of difference between the expenditure of money for war purposes in this country and other countries. War is not always a bad thing from the economic point of view. Of course, the loss of human life and property is very regrettable, but economically it is not always a very bad proposition. From the figures which we read in the papers we find that in England, for example, unemployment has practically ceased. That is not the case in this country. If the money raised for war were to remain in this country, it will simply pass from one hand to another.

Mr. Deputy President (Mr. Akhil Chandra Datta) Order, order Without meaning to interrupt the Honourable Member, the Chair owes it to the House and to itself to remind him of the announcement made this morning from the Chair that according to the agreement arrived at in the House, there will be no speeches during the third reading of the Bill As there was some time left to us, the Chair thought it would be better to allow some speeches to be made if there were some Members who were anxious to speak The Chair only wants to remind him about it It should be remembered that this is the third reading of the Bill, and, therefore, the speeches should be consistent with the limited scope of the Bill Beyond this, the Chair did not mean to interrupt the Honourable Member

Maulvi Abdur Rasheed Chaudhury: I bow to the decision of the Chair, and I will be as brief as possible

Sir, if the Government could have created war enthusiasm, there would have been no necessity for these taxation measures

Now, Sir, I wish to speak a few words about propaganda Government have got newspapers like the *Statesman* and other Anglo-Indian newspapers to voice their views Let us see what sort of propaganda these papers have been carrying on As soon as we open the pages of the *Statesman*, we find that it calls all the political association of this country as so many parasites of the British Government Then, Sir, we find that some of our very best people who are doing several things for the betterment of the country are classed as belonging to the "Cranks Corner" Is this the propaganda for creating war enthusiasm in this country? I think it is not Then, there is another widespread discontent throughout this country about the mode of treatment given out to the lovers of the country who practise Satyagraha and things of that character Sir, in fact, in legal circles, there is a talk that all the prosecutions under the Defence of India Act for uttering anti-war slogans are illegal

The Honourable Sir Jeremy Raisman: I submit, Sir, that the Honourable Member is not making a speech within the scope of the third reading

Maulvi Abdur Rasheed Chaudhury: I may be permitted to explain how this comes within the scope of the Bill

Mr. Deputy President (Mr. Akhil Chandra Datta) The Chair was itself thinking that all this talk about detenus and about the treatment to the detenus do not strictly come within the scope of the third reading of the Bill The Chair hopes the Honourable Member will be more relevant He will confine himself to the clauses of the Bill

Maulvi Abdur Rasheed Chaudhury: I was saying, Sir, that there can be no war enthusiasm which the Government want to see in the people of this country There is just one thing which I wish to mention in this connection, and then I shall pass to other things I have already said that there is already a talk in legal circles that all these prosecutions are illegal Recently, in Gudur, in Madras Presidency, the District Magistrate held that mere uttering war slogans was not sufficient to constitute an offence under the Defence of India Act, and so he acquitted all the accused Now, Sir, Government are in a very bad position, either they

will have to say that the Joint Magistrate's judgment was wrong, or if the Joint Magistrate was correct in his judgment, then the Government will have to set free all the prisoners So much for war enthusiasm

There is another small complaint I have to make When the Supplementary Finance Bill was under discussion in November last, the Honourable the Commerce Member, for whom I have great regard, said that everybody who is not helping in the war effort is a traitor to the country This is an insult to the country It has also been repeated the other day by the Honourable the Home Member when he said that these people were all bad characters Sir, war enthusiasm cannot be artificially created in this way

Sir, the Finance Bill has come out as it was discussed at the consideration stage, not a comma has been changed, not a single amendment has been carried, and so the grounds on which the House based its criticism at the consideration stage still hold good, and I think we are entitled to discuss all those subjects now which were touched upon at that stage

The Honourable Sir Jeremy Raisman: May I ask for your ruling, Sir? The Honourable Member has construed the position to be that it is open to him to talk on matters which were discussed at the consideration stage

Mr. Deputy President (Mr Akhil Chandra Datta) The Chair thinks the Honourable Member will not be in order if he reopens the whole question There are many questions which have been accepted by the House and we cannot go behind those decisions The Chair takes it, the Honourable Member knows the distinction between the third reading and the previous reading of a Bill The Honourable Member cannot possibly discuss all the questions which he was at liberty to discuss at the earlier stages The Chair hopes the Honourable Member will speak within the scope of the Bill

Maulvi Abdur Rasheed Chaudhury: I bow to your ruling, Sir, It is desirable that I should speak a few words on two or three subjects I will not take up much of the time of the House My Honourable friend, Sardar Sant Singh, gave facts and figures and explained how the census figures were calculated

Sir Cowasji Jehangir: This is the third reading of the Bill

Maulvi Abdur Rasheed Chaudhury: The question is whether we should accept these census figures as correct, or whether we should scrap them Another startling thing which my Honourable friend, Sardar Sant Singh, referred to was about the Chief Justice of the Lahore High Court

Mr. Deputy President (Mr Akhil Chandra Datta) The Chair should tell the Honourable Member that he is not at liberty to discuss these things at this stage of the Bill

Maulvi Abdur Rasheed Chaudhury: I bow to your ruling, Sir I am going to suggest how war enthusiasm could be created in this country.

Mr. Deputy President (Mr Akhil Chandra Datta) The Honourable Member spoke a good deal about war enthusiasm, and, in the third reading, he must not go over that ground again.

Sir Cowasji Jehangir: Which is the clause of the Bill that relates to war enthusiasm?

Maulvi Abdur Rasheed Chaudhury: The Bill wants the House to vote for money, and before money could be granted, I must speak about the grievances

Mr. Deputy President (Mr Akhil Chandra Datta) The Chair would also remind the Honourable Member that there was an agreement of the entire House that this Bill should be finished today, and, in fairness to other Honourable Members who might like to speak, the Honourable Member should be as brief as possible

Maulvi Abdur Rasheed Chaudhury: I do not like to break the agreement, and in order to show my deference to the agreement, though I was not a party to it, I resume my seat

The Honourable Sir Jeremy Raisman: I move that the question be now put

Babu Bajnath Bajoria: I should like to say a few words before the debate is closed

The Honourable Sir Muhammad Zafrullah Khan: I must point out, Sir, that the Honourable the President not only accepted the agreement, but intimated that he would see that it was enforced. I hope you will see, Sir, that the agreement is enforced because, if not, that confidence which ought to exist among all the parties in the House will be destroyed and in future it would not be possible to come to any understanding in the confidence that it would be given effect to.

Babu Bajnath Bajoria: In that case, I do not want to disturb the agreement which has been arrived at

Mr. Deputy President (Mr Akhil Chandra Datta) The Chair has been already over-indulgent, and if any Honourable Member of the House insists upon the agreement being honoured and given effect to, then it is the duty of the Chair to see that it is given effect to

The question is -

"That the question be now put"

The motion was adopted.

Mr. Deputy President (Mr Akhil Chandra Datta) Does the Honourable the Finance Member wish to reply to the debate?

The Honourable Sir Jeremy Raisman: I wish to abide by the agreement which has been arrived at. I move :

"That the Bill be passed"

Mr. Deputy President (Mr Akhil Chandra Datta) The question is :

"That the Bill be passed"

The Assembly divided

[At this stage, Mr President (The Honourable Sir Abdur Rahim) resumed the Chair.]

AYES—40

Abdul Hamid, Khan Bahadur Sir
 Abdul Hamid, Khan Sahib Shail h
 Ahmad Nawaz Khan, Major Nawab
 Sir
 Bewoor, Sir Gurunath
 Boyle, Mr J D
 Buss, Mr L C
 Caroe, Mr O K
 Clow, The Honourable Sir Andrew
 Dalal, Dr R D
 Dehejia, Mr V T
 Gopalaswami, Mr R A
 Griffiths, Mr P J
 Gwilt, Mr E L C
 Ikramullah, Mr Muhammad
 Imam, Mr Sayyid Haider
 Ismael Ali Khan, Kunwar Hajee
 Jawahar Singh, Sardar Bahadur
 Sardar Sir
 Kamaluddin Ahmed, Shams-ul-Ulema
 Kushalpal Singh, Raja Bahadur
 Lawson, Mr C P

Manavidan, Raja T
 Maxwell, The Honourable Sir Reginald
 Mazharul Islam, Maulvi
 Miller, Mr C C
 Muazzam Sahib Bahadur Mr Muham-
 mad
 Mudaliar, The Honourable Diwan
 Bahadur Sir A Ramasami
 Mukherji, Mr Basanta Kumar
 Oulzham, Mr S H Y
 Pillay, Mr T S S
 Rahaman, Lieut-Colonel M A
 Raisman, The Honourable Sir Jeremy
 Rao, Sir Raghavendra
 Scott, Mr J Ramsay
 Shahban, Khan Bahadur Mian Ghulam
 Kadir Muhammad
 Sheehy, Mr J F
 Sivaraj, Rao Sahib N
 Spence, Sir George
 Thakur Singh, Captain
 Tyson, Mr J D
 Zafrullah Khan, The Honourable Sir
 Muhammad

NOES—19

Abdul Ghani, Maulvi Muhammad
 Abdur Rasheed Chaudhury, Maulvi
 Azhar Ali, Mr Muhammad
 Bajoria, Babu Bajnath
 Banerjee, Dr P N
 Chatopadhyaya, Mr Amarendra Nath
 Datta, Mr Akhil Chandra
 Deshmukh, Mr Govind V
 Essak Saat, Mr H A Sathar H
 Fazl-i-Haq Piracha, Khan Bahadur
 Shaikh

Lalchand Navalrai, Mr
 Liaqat Ali Khan, Nawabzada Muham-
 mad
 Maitra, Pandit Lakshmi Kanta
 Muhammad Ahmad Kazmi, Qazi
 Murtuza Sahib Bahadur, Maulvi Syed
 Raza Ali, Sir Sved
 Siddique Ali Khan, Nawab
 Zafar Ali Khan, Maulana
 Ziauddin Ahmad, Dr Sir

The motion was adopted

THE TYRES (EXCISE DUTY) BILL

The Honourable Sir Jeremy Raisman (Finance Member) Sir, I move

"That the Bill to provide for the imposition and collection of an excise duty on tyres be taken into consideration."

I have already mentioned this proposed tax in my Budget speech and I also dealt with certain objections which had been raised to it in the consideration motion of the Finance Bill. It is a tax which but for technical reasons could have been dealt with in the Finance Bill, but since it is a new excise and since we have not got a general Excise Act it is necessary to make a separate Bill. My Honourable friend, Sir Horni Mody, the other day indicated certain criteria for the imposition of excise taxes. I consider that this tax fulfils the criteria which he laid down; but in addition to that it fulfils certain other very important criteria for an excise tax.

Sir H. P. Mody (Bombay Millowner's Association Indian Commerce) Sir, I may remind my Honourable friend that one of the criteria was that the industry should be fully protected in its own home market

The Honourable Sir Jeremy Raisman: If by those words the Honourable Member meant that there should be in existence a protective duty I agree that the tyre industry in India would not fulfil that criterion. But if he puts on those words the more reasonable construction which I do, that the industry in its own home markets without a deliberate act of protection is already very well placed to meet foreign competition, then I consider that this industry fulfils the criteria for an excise better than many industries to whom statutory protection has been extended. It is better placed because it has certain natural advantages, because the same tyre which is produced abroad at equal or greater cost and brought to this country and which then pays the revenue duty has to compete with a tyre produced in this country under favourable conditions and, actually, in many respects at lower costs, and I believe that this industry could have been successfully established with a revenue duty lower than that which actually happened to prevail at the time when the industry was introduced. But I was going to say that there were certain other criteria than those laid down by Sir Homi Mody. He approached the matter entirely from the point of view of the industrialist. I must look at the matter from the point of view of the exchequer, and from that point of view there are certain important requirements which an excise duty should fulfil, and one of them in particular is that it should be capable of easy and efficient administration.

One of the reasons why various excise duties which have been suggested are not capable of adoption is that the products to which they relate are manufactured in so many small establishments up and down the country that in order to impose an excise it would be necessary to introduce a degree of control which would almost be tantamount to taking over the industry or making a monopoly of it—a state monopoly, and in fact that is a device to which recourse has been had in various countries, and to some extent in India when a commodity which is a desirable object of an excise is manufactured in very scattered and diverse conditions. An ideal subject for an excise is a commodity which is manufactured in a few establishments so that supervision and the administration of the tax can be concentrated and efficiently carried out. That is a criterion which I suggest Sir Homi Mody might add to those which he has mentioned.

I dealt the other day with the point which has been raised and which Sir Homi Mody, who knows better, sought to introduce, about protection and the maintenance of a relation between the excise duty and the import duty. I pointed out then that if an import duty was a purely revenue duty, then there was absolutely no reason why a fixed margin equal to that revenue duty should be maintained whenever an excise duty was imposed, and as a matter of fact our own practice in this country shows that that principle has always been understood. For instance, in the case of motor spirit, the excise duty on motor spirit is exactly the same as the import duty. There is no attempt there—much to my friend, Mr Buss's regret apparently—there is no suggestion there that it is necessary to maintain a margin between the duty on petrol produced abroad and the duty on petrol produced in this country, because the answer would be that there is absolutely no reason why any protection should be given to the

motor spirit industry, and similar considerations apply in respect of certain other duties. It is true that in recent years many of the excise duties which have been introduced related to commodities which were already the subject of a protective duty, and in those cases it was obviously incumbent upon the Government to maintain the margin of protection, but another example where no such margin is maintained at present is the case of salt, where the duty on salt produced in the country is exactly the same as the import duty on salt manufactured abroad. Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Motion moved.

"That the Bill to provide for the imposition and collection of an excise duty on tyres be taken into consideration."

Sir H. P. Mody: Sir, I would just like to say that if my Honourable friend, the Finance Member, had based this measure upon the necessity of finding money, then I should have said nothing at this stage.

The Honourable Sir Jeremy Raisman: I did

Sir H. P. Mody: But when he goes on to justify it and adduces the argument that the industry is sufficiently secure in its home market, then I must join issue with him. The duty on tyres and tubes is only a revenue duty and stands at the low level of 25 per cent—there are in the revenue tariff duties of a far heavier character, and I am sure my friend is not serious when he suggests that a revenue duty of 25 per cent affords that measure of protection to which an infant industry is entitled. He cannot gainsay the fact that the imports of tyres and tubes are on a considerable scale, and to the extent to which this excise raises the costs of local manufacture it is crippling an industry which has just established itself, and from that point of view I submit once again that the excise is not justified without an equivalent increase in the import duty on tyres and tubes.

Babu Baijnath Bajoria (Marwari Association Indian Commerce) Sir, I would like to know from the Honourable the Finance Member what is the proportion of tyres and tubes manufactured in this country and what is the proportion which is imported from the outside.

Sir H. P. Mody: Tyres, about half and half. Tubes—local manufacture is 60 to 70 per cent.

Babu Baijnath Bajoria: and whether these tyres and tubes are only manufactured by the foreign concerns like Dunlops and Goodyears, and whether there are other factories in which Indians predominate both as regards capital and management. Another thing which strikes me is about clause 3 (3) where it says

"Where no such value has been fixed the value of a tyre shall be deemed to be the wholesale cash price, less trade discount for which a tyre of the like kind and quality is sold or is capable of being sold by a manufacturer without any abatement, etc., etc."

I shall illustrate it. If the value of a tyre is Rs 100 and 25 per cent. trade discount is allowed, then the duty of 10 per cent will be levied on Rs 75, but then that Rs 75 will also include the value of the duty. As far as I know, in calculating any import duty the value of the duty is deducted before any assessment is made. I think that practice should also be followed in this case.

Sir Syed Raza Ali (Cities of the United Provinces Muhammadian Urban) 4 p.m. I just wish to say a few words on this Bill. The first thing I have to point out is this, that, according to my information, there are four companies that have established their business and built factories in India since 1935. I believe the first one was built in 1935 to manufacture tyres and tubes. So that these companies have not had more than, say, nearly five years at their disposal to establish their business. My information further is that just at present they are carrying on fairly satisfactorily and the treatment meted out to them is the same as that which is accorded to imports by the Government of India. Now, there is going to be this additional duty and that additional duty is bound to hit them. The mere statement that this industry has established itself sufficiently to compete with foreign imports is not sufficient. I am afraid the Honourable the Finance Member has not made out any case for abstaining from imposing an import duty on foreign tyres and tubes. Why should there not be any duty? What is the point? Take the revenue point.

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House) There is a revenue duty of 25 per cent already.

Sir Syed Raza Ali: I mean a corresponding import duty of ten per cent. My Honourable friend said that this excise was proposed for revenue purposes.

The Honourable Sir Jeremy Raisman: Does the Honourable Member realise that to do that is to decide at one stroke without any examination whatsoever that this industry is entitled to 25 per cent protection?

Sir Syed Raza Ali: I do not know what further examination is required,—I mean in the case of imports. I am dealing with imports, not with protection accorded to this industry. Perhaps I have got confused this afternoon, generally I am not. But my point is this. Why should there be no countervailing import duty on foreign tyres and tubes?

The Honourable Sir Jeremy Raisman: I have been explaining that for some time.

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadian Urban) Even for revenue purposes

Sir Syed Raza Ali: Even for revenue purposes,—that is exactly what I am saying. That corresponding additional duty will put a little more money into the pockets of the Finance Member and why should he not have it?

The Honourable Sir Jeremy Raisman: Because it has a protective effect. I hope the Honourable Member realises that to increase the import duty on a commodity when a large amount of it is being manufactured in this country is to take a small amount for the exchequer and to put a very large sum into private pockets.

Sir Syed Raza Ali: I am afraid I do not agree with you. That is not so. I do not see why it should have that effect. That is one point.

Secondly, I think that the time has come when the Government should look into the question of the treatment of Indian employees by these companies. That question will have to be gone into carefully at one time or another, and I believe the time has come when the Government of India should start consideration. In some Dominions I know the practice is, if a foreign company, even if it is registered in England, establishes a factory, then they are very careful to see that the nationals of the Dominion get a fair deal in the matter of employment, in the matter of treatment, in the matter of promotion and other respects. I do not think that anything of the sort is being done in India. In fact, it is more the Commerce Member than the Finance Member who is concerned with this, I dare say, but the question is a very important one. If I am right, if my information is correct, I should say that the position today is a most disastrous one. Suppose a foreign company comes here and builds a factory

Sir H. P. Mody: I think you are playing into the enemy's hands

Sir Syed Raza Ali: I want to play into enemy's hands

Sir H. P. Mody: Do it on other occasions

Sir Syed Raza Ali: I have a thorough distrust of these Bombay millionaires. They care for their own £'s d' and they do not care for the consumer. I must plead the cause of the Indian people and not of the millionaire. Suppose a foreign company, for instance, with Sir Homi Mody as a director, establishes a factory with a million pounds. They can rely on the good offices of men like him, but they are not bound at the same time to give even five per cent of the decently paid jobs to Indians. That is a scandalous state of affairs. There is nothing to compel a foreign company that has built a factory in India even to employ five per cent Indians. No doubt they will have to employ labourers. If they can placate Indian businessmen at the top it is all smooth sailing for them afterwards. That is a state of affairs to which we take strong objection. Again, when such a company employs Indians, it should treat Indians exactly in the same manner as they treat Europeans. The European and Indian employees should be on the same footing, there should be no preferential treatment meted out to Europeans at the cost of Indians.

Mr. J. D. Boyle (Bombay European). Is your definition of a foreign company the same as that given by the Commerce Member yesterday?

Sir Syed Raza Ali: I am sorry I was not present here when the Commerce Member spoke. I may tell my Honourable friend what I mean. For this purpose I do accept the definition given in section 116 of the Government of India Act,—not that I am satisfied with it. I am not at all satisfied with it, let me make it quite clear. But still having regard to war conditions I am reluctantly prepared to accept that definition. But, even so, this question has to be looked into. It is the duty of the Government to see that foreign companies are not allowed to build factories in India. I have in mind purely foreign companies. When I say foreign I mean foreign, I do not mean any company registered in England or necessarily a company from a country of the British Commonwealth of Nations. But it is high time that this question was gone into very

[Sir Syed Raza Ali]

carefully by the Commerce Member. The Commerce Member is the custodian of Indian rights. He knows the position, he knows the difficulties which our young men have to face. He knows that discrimination is practised against these young men, even by those foreign companies who have been established in India and who have been allowed to build their factories in India. It is most objectionable that these companies should be allowed to make a distinction between Indian and European employees. If they are going to do that, surely means should be found to remedy that state of affairs.

The Honourable Sir Jeremy Raisman: I should first dispose of an objection taken by my Honourable friend, Mr Bajoria, on the definition of wholesale value for purposes of levying tax. If he will read sub-clause (2) of clause 3 of the Bill, he will find that the amount of the excise duty is to be deducted when determining the wholesale cash price for purposes of levying the duty. The wording is "the wholesale cash price, less trade discount, for which a tyre of the like kind and quality is sold or is capable of being sold by a manufactory without any abatement or deduction whatever except the amount of the excise duty payable on it at the time of issue out of the manufactory." I hope that satisfies the Honourable Member.

Babu Bajnath Bajoria: I stand corrected.

The Honourable Sir Jeremy Raisman: For the moment I was a little alarmed because I thought he had actually discovered a technical defect in the Bill.

Well, Sir, as regards the arguments of Sir Homi Mody and Sir Raza Ali regarding the position of this industry *vis-a-vis* foreign competition I can only repeat that I am perfectly satisfied that in present conditions there is no necessity to increase the import duty on foreign tyres in order to impose an excise on the indigenous industry.

Sir Syed Raza Ali: May I know what the Honourable Member means by 'present conditions'?

The Honourable Sir Jeremy Raisman: I mean in war conditions and so on. I do not rule out the possibility that circumstances may arise in which any industry may establish a claim for protection. This industry may at a later stage be able to establish a claim for protection in which case the duty on imports should be changed from a revenue to a protective duty and from that time forward it would be necessary to maintain a margin between the import duty and the excise but that is not the case at present and it is a fundamental matter of principle—and one which is of the greatest importance—that the Members of the House must realise that it is fatal without any inquiry whatever and without any case being established to take the line that because there exists an import revenue duty any taxation which is levied on the same commodity produced in the country must automatically be added to the tax on imports of that commodity.

I have already instanced the case of salt and the case of motor spirit as commodities in which there is not a single pie of difference between the excise duty and the import duty. There is no element of protection because

they are after all revenue duties. Both the import duties in this case and the excise duty are purely revenue duties and in the absence of any determination of the claim of the industry to protection and of the amount of protection that should be given to it, I claim that I am absolutely free to treat them as revenue duties and to fix them independently at the level which I consider most suitable for revenue purposes. I claim that I am at this moment completely unhampered by any considerations other than revenue considerations but I may add that I have borne in mind the position—I have carefully made my own judgment of the position—of the industry. As a matter of fact, before this tax has been imposed, I have been in correspondence with the principal producers of tyres in this country. I have a great deal of information about their production and the prices at which they sell their tyres and I am satisfied—and I cannot do more than tell the House—that it is possible to impose this excise without inflicting any undue hardship on the industry.

Mr. President (The Honourable Sir Abdur Rahim) The question is—

"That the Bill to provide for the imposition and collection of an excise duty on tyres be taken into consideration."

The motion was adopted.

Clauses 2, 3, 4, 5, 6, 7 and 8 were added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Sir Jeremy Raisman: Sir, I move

"That the Bill be passed."

There is only one point that I would like to mention to the House, which has not arisen, as Mr Kaznu did not move his motion and that is I contemplate that if it is possible to do so administratively, which I hope it will be, tyres for bullock carts will be exempted from this duty, because I think that the bullock cart tyre is an innovation which should be encouraged by every means in our power as it is capable of saving the country lakhs and lakhs of rupees in the deterioration of roads and also animals and for that reason I am prepared to make every effort to prevent any increase in the price of bullock cart tyres.

Babu Baijnath Bajoria: The Honourable Member has not informed me as to how many factories there are and how many are Indian?

The Honourable Sir Jeremy Raisman: I will tell him the names of the factories and he can judge for himself. The factories are 'The Dunlop Rubber Co., India, Ltd.', 'The Good Year Tyre Rubber Co., India, Ltd.', 'the Firestone Rubber Co. Ltd.', and 'the Indian Tyre and Rubber Co., India, Ltd.' I do not know the detailed constitution of these firms but precisely for the reason that I hold myself free and unconcerned with any protective considerations, for the same reason, I was not directly concerned with matters such as Sir Raza Ali raised and which certainly would be matters which would come under consideration if and when the question of protection for the industry is under examination.

Sir F. E. James (Madras European): May I put the Honourable Member one question? Will the excise duty be refunded in the case of tyres and tubes which are exported from India to other countries?

The Honourable Sir Jeremy Raisman: Yes Every excise duty is refunded if the articles are exported out of the country

Mr. President (The Honourable Sir Abdur Rahim) The question is.

"That the Bill be passed"

The motion was adopted

THE EXCESS PROFITS TAX (AMENDMENT) BILL

The Honourable Sir Jeremy Raisman (Finance Member) Sir, I move.
"That the Bill further to amend the Excess Profits Tax Act, 1940, be taken into consideration."

This Bill, Sir, has unfortunately a somewhat formidable appearance, but I believe that it will be found by those who have studied it, I believe it has been found, that it is really quite a simple measure and that its operation is beneficial to the taxpayer. When the rate of excess profits duty is changed for a subsequent chargeable accounting period as compared with previous chargeable accounting periods, it is obviously necessary to cater for cases where the chargeable accounting period falls partly during a fiscal year in which the rate was at one level and partly during a fiscal year in which the rate was at another level. That is one type of thing you have to cater for and the Bill in as simple language as this type of legislation permits endeavours to lay down the proportions in which that should be done. The second thing is that as the House is aware deficiencies of profits occurring in certain periods, that is, profits less than the standard profits, have to be offset against excess profits occurring in other periods, and in certain cases refunds of tax have to be made. Well, the effect of this Bill is to enable the taxpayer to get the most advantageous offset of any losses that accrue, and even in cases where he has already received a refund, the Bill enables the matter to be reopened, so that he can exercise his choice and have a settlement made against the tax levied at higher rates. There is one other very minor amendment, which has been included to correct an inadvertent omission. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) Motion moved.

"That the Bill further to amend the Excess Profits Tax Act, 1940, be taken into consideration."

The Chair understands the Honourable Member (Dr Banerjea) does not wish to move his amendment?

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) Sir, I will just say a few words on the motion for consideration. I gave notice of an amendment, because I received two telegrams from the commercial community of Calcutta, and I will place these two telegrams before the House and before the Honourable the Finance Member in order that he may be able to remove their misapprehension. The first one is from the Bengal National Chamber of Commerce, it runs thus

'Reference Press Report Excess Profits Tax Amendment Bill, Committee Bengal National Chamber strongly protest against proposed cancellation of deficiency of profits occurring before March end being iniquitous particularly in view of too rigorous provisions of the Act calling for relaxation in favour of assessee. While Committees reserve further comments pending study of detailed provisions of Bill, they urge necessity of its circulation for enabling commercial community express opinion on same.'

Then, the second telegram is from the Indian Chamber of Commerce It reads thus

"Reference Excess Profits Tax Amendment Bill, newspapers report that deficiency of profits occurring before March end will be cancelled. Such step will be very iniquitous specially having regard to fact that excess profits tax is already too onerous. There is rather need for improvement in favour of assessees particularly for excess profits tax not being realisable in respect of diminishing depreciation owing written down value calculation. Other provisions of amending Bill not reported in Press and hence Committee Indian Chamber unable express opinion on such provisions if any Committee emphatically submit that sufficient time should be given for public to express considered opinion before placing Bill for consideration by Select Committee or Assembly."

Sir F. E. James (Madras European) Sir, I do not propose to discuss the merits of the Bill, but I do wish to enter one slight element of disagreement with the description of the Bill on the part of the Honourable the Finance Member, he said that it was a beneficial Bill Well, no taxation Bill has ever been beneficial, and this Bill would not have been necessary had not the rate of the excess profits tax been increased to sixty-six and two-thirds per cent , in other words, it is true that, when the dentist has taken out fifty per cent of your teeth, and before he feels he is obliged to take out a third of the remaining half, he will obviously give the patient an anaesthetic, but the patient can completely pass out during the process—that is really the meaning of this Bill, and I think the Honourable Member should in future take pains to describe these measures in more accurate terms I remember, again—I do not know whether he is the present Finance Member or one of his predecessors—a Finance Member, in introducing a taxation Bill, went on to say that it hit him more than it hit those who were going to pay that tax Well, we disbelieved that statement, and we are also not inclined to believe the statement just made about the present Bill being a beneficial one.

Babu Baijnath Bajoria (Marwari Association Indian Commerce) Sir, so far as this Bill is concerned, after the House has passed the excess profits tax Bill raising that tax to sixty-six and two-thirds per cent , this is a consequential amending Bill and I have very little to say in connection with this Bill Sir, I would, however, like to draw the attention of the Honourable the Finance Member to the fact as to how this Excess Profits Tax Act is being applied or is being enforced on people by the E P T Officer Sir, I have received complaints from several persons that this Act is being very harshly applied, and as a matter of fact the complaint has come to me that a high inspecting officer from headquarters went to Calcutta and also to Bombay and he unduly influenced the assessment of cases when they were pending before the E P T Officer He even went so far as to have the books of those assessees retained in his office or of the income-tax officer there and he would not return the books Sir, as a matter of fact he took over the assessment from the hands of the income-tax officer and he did what he could to squeeze out from the different parties concerned Sir, I think this is not the intention of this Legislature nor of the Honourable the Finance Member that the income-tax officer or the excess profits tax officer—in most cases they are one and the same person—should be interfered with by higher officers when the case is pending before these income-tax officers When, of course, the case is decided by them, then it can be reviewed by the inspecting Assistant Commissioner or it can be appealed against by the assessee if he is dissatisfied Sir, in a case in Bombay I understand that the bank account of

[**Babu Baijnath Bajoria**]

an assessee has been attached—and it is a very big firm—and he has been asked to pay, I understand, some twenty lakhs or thirty lakhs of rupees or more,—and this is my information, Sir, that his bank account has also been attached.

Sir Cowasji Jehangir (Bombay City Non-Muhammadan Urban) Is the Honourable Member talking of income-tax, or of excess profits tax?

Babu Baijnath Bajoria: Income-tax, super-tax or excess profits tax—all three

Sir Cowasji Jehangir: So your remarks apply to all three?

Babu Baijnath Bajoria: Yes, to the administrative machinery of all these three Departments, the administration is the same in all three cases Sir, as I also said in my previous speech, this Excess Profits Tax Act is neither understood thoroughly by the assessees nor by the lawyers nor by the Excess Profits Tax Officers themselves! It is a new Act; there might be omissions, there might be mistakes by the assessee, there might be mistakes by the Excess Profits Tax Officer. If there is any mistake, they should not take advantage of any omissions which may have been inadvertently or unknowingly made by the assessees Sir, this is a point which I would like the Honourable the Finance Member and Mr Sheehy who is in charge of this Department to take note of. Another thing that I wish to say is that it is a matter of common knowledge that throughout the country coercion is used to subscribe to war funds.

Mr. President (The Honourable Sir Abdur Rahim) This has nothing to do with the motion before the House

Babu Baijnath Bajoria: I am making a suggestion about the excess profits tax

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member should not do that now

Babu Baijnath Bajoria: Sir, I am one of those who want that we should give all possible help in man, money and material for the successful prosecution of the war, but so far as coercion is concerned, I would be the last person to agree to it. What I would like is that war gifts or donations and subscriptions to war funds should be allowed as an expense in computing the excess profits tax or the income-tax or the super-tax as the case may be. This will not only help the assessees but it will also help the Government inasmuch as it will induce more people to give war donations and war subscriptions.

The Honourable Sir Jeremy Raisman: The Finance Department will heed every subscription list!

Babu Baijnath Bajoria: I was requested to make this suggestion and I have done so. I think it is a very reasonable suggestion and must be accepted. Those clubs, companies and associations who were not allowed by their rules to make donations were allowed to regularise their donations

when a special Act was passed by this House last November So, I say that so far as war gifts are concerned, whether they are in kind or in cash, they should be allowed as an expense in computing the income-tax or the super-tax or the excess profits tax as the case may be With these words, I command this Bill for the favourable consideration of the House

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions Muham nadan Rural) Sir, I join my friend, Dr Banerjea, in complaining that the Government did not give us sufficient time to consult our constituencies I had a general complain on the occasion of the general discussion of the Finance Bill that the Government never reveal their cards till the last moment They know that we have

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had a reply this morning, the Chair thinks What is the use of going into it again? The Honourable Member must confine himself to the motion before the House

Dr. Sir Ziauddin Ahmad: I will confine myself to the Bill before the House We had no time to consider the pros and cons of the Bill before us and the Honourable the Finance Member has not given any report of the Income-tax officers as to how the Excess Profits Tax Act is working which has necessitated this change within a year I may tell the Honourable the Finance Meinber that the reason for not getting proper information is that the staff is very much handicapped by over work I will draw his attention to page 23 of the Explanatory Memorandum where he will find that the total cost of the staff in the year 1936-37 when we collected only 15 34 crores was 89 lakhs and now when the collection has gone up to 35 62 crores, the cost of collection has gone down to 84 lakhs This really shows that you are either employing less staff or you are employing a staff on lower salaries to do this higher work I know it definitely and this is the time to mention it that the Income-tax staff is so hard pressed that they have to work from morning till evening and they have got no time to themselves If you have such an overworked staff, it is impossible for them to do their work efficiently We had a case of evasion of income-tax raised on the floor of the House and my friend, Mr Bajoria, left the story only half told But I think it is very desirable that your staff ought to be increased, if not in proportion to the income, it should at least be incommensurate with the increase in the income If you have a staff sufficient to cope with this situation, then the cases of evasion will be minimised I think it is very desirable that we should give some kind of leisure to the Income-tax Department staff Having regard to the amount of work that they are doing, I think the staff should be increased by at least 20 per cent, including the Income-tax officers and their Inspectors and the clerical establishment Unless you increase your staff, it is impossible to detect accurately the cases of evasion which are not few in number but are fairly large You cannot really get the true picture of your Department unless you increase the staff

My friend, Mr Bajoria, said that he was ready to help Government in man, money and material as long as the money did not go out of his pockets

Babu Bajjnath Bajoria: I did not say that

Dr. Sir Ziauddin Ahmad: That is my interpretation. In this particular case you should be ready to give money and material not only of your neighbour but also from your own pocket.

Then, there is another point which I wanted to emphasise in connection with this Bill. In addition to the Income-tax Bill which we passed, there is an official document called the "Instructions to the Income-tax officers". I do not see any reason why there should be any confidential document. If there are any instructions to be given, they ought to be public property and a copy of it should be laid on the table of the House and we should know what those instructions are. It is rather unfair to the assessee to have one law which may be passed by this House and there should be another set of rules called the 'Confidential documents' handed over to the Income-tax officers. I think it is but fair that the assessee should know fairly well and very clearly what he has to pay and the assessor, that is the Income-tax officer, ought to know very well how much he is to charge and what action he is to take. Both from the original Bill and from this Bill I find it exceedingly hard for either the assessor or the assessee to know exactly what the existing rules are. So I lay stress on this occasion on the fact that the Finance Member should seriously consider the situation and every effort should be made to see that all his rules about the Income-tax Department are framed in a very clear language. There should be no instructions behind the curtain. Everything should be public and everything should be open to the assessee. At present these confidential documents make the people exceedingly suspicious. They say that the intention of the Government is to get money on some excuse or other. This impression ought to be removed. There should be a clear understanding that the Government want a fair dealing. I know that they practise fair dealing but, unfortunately, the way in which the thing is being done creates a wrong impression upon the minds of the people. So I suggest that this impression should be removed. I know that assessees also are not honest persons.

Mr. President (The Honourable Sir Abdin Rahim) The Honourable Member has not yet spoken a word about the Bill.

Dr. Sir Ziauddin Ahmad: This is the Excess Profits Bill and, therefore, it is relevant to refer to the manner of assessing. It is very desirable that we should also have our staff sufficient in number who may be able to catch such assessees who are not willing to reveal their books in a straightforward manner. Therefore I very much emphasize that the whole business ought to be straightforward and everybody should know where he stands and they should know what the penalties for evasion are and the staff we employ should have sufficient leisure and sufficient time to do the work efficiently.

Mr. J. F. Sheehy (Government of India Nominated Official) Sir, I should like to deal with one or two points which were raised by some Honourable Members. The first was the point raised by my Honourable friend, Dr. Banerjea, that the Chambers who sent him the telegram were worried about the previous set-off of a deficiency being cancelled. I can give them the assurance that there is no catch in that at all. The only reason why we are going to cancel the previous set-off is in order to give the assessee the option of setting off the deficiency against the profits earned in a period when the tax rate is higher. I hope that will satisfy him.

Now, Sir, my Honourable friend, Babu Baijnath Bajoria, raised a point about the inspecting officer who went round and interfered with the I.T.O. or E.P.T.O. when he was making the assessment. That officer goes round on behalf of the Board in order to improve the working of our subordinate officers and it is only right that he should interfere or that he should be there to help the officers when they are actually making the assessment and not criticise them after they have made the assessment. It is in pursuance of our policy of improving the administration that he is going round and helping officers and criticising them while making the assessment.

Babu Baijnath Bajoria: Is there any provision in the Act for this—that the I.T.O. should be helped by any superior officer?

Mr. J. F. Sheehy: Just as the Inspecting Assistant Commissioner can advise the Income Tax Officer.

Dr. P. N. Banerjea: But when there is an appeal, he should not do it.

Mr. J. F. Sheehy: The Appellate Assistant Commissioner is entirely independent. When an assessment is made on the advice of the Inspecting Assistant Commissioner you can go to the Appellate Assistant Commissioner who is entirely independent and from there you can go to the Tribunal and from the Tribunal you can go to the High Court. The administrative side of the Department is on the other hand engaged in trying to tighten up the machinery and making it more efficient.

Dr. P. N. Banerjea: There should be no interference on the judicial side.

Mr. J. F. Sheehy: There is no interference at all on the judicial side.

Babu Baijnath Bajoria: I was not saying about the judicial side. As far as I know if the Income-tax officer finds any difficulty in making an assessment, then he goes to the Inspecting Assistant Commissioner to have any points clarified by him. But it is not for the Inspecting Assistant Commissioner, of his own accord or of any superior officer from the Board of Central Revenue to go and sit by the side of the Income-tax officer and help him, or rather prejudice him in the assessment.

Mr. J. F. Sheehy: If there is an officer who is not very clever or who is not very efficient, he is not likely to know the defects until somebody points them out to him. However, that is the way we are administering the Department and we are trying thus to make it more efficient.

As regards the particular case that my Honourable friend, Babu Baijnath Bajoria, referred to, I had a full report of that particular case and I was satisfied that the Commissioner of Income-tax had justification for doing what he did. I will not say anything more about that. My Honourable friend, Babu Baijnath Bajoria also said that the E.P.T. Act was a very difficult Act and that we ought to give some guidance to the assessee. We have issued instructions to our officers. Any assessee can go to the E.P.T.O. and if the E.P.T.O. is not able to give him the advice

[Mr J F Sheehy]

he seeks, he has instructions to send the case to the Central Board of Revenue where Mr Ayers will advise on it. While I am on that point, I may touch on the point that my Honourable friend, Dr Sir Ziauddin Ahmad, raised about publishing some notes and instructions for assessee's guidance as to how this Act is to be worked. In the first place, I may point out that there must be at least a dozen books published on this Act since it was enacted—at least I get one every fortnight or so—so that if he buys one of these books he will presumably get there all the guidance he needs. Apart from that, we have now decided to publish a little book of notes and instructions for the guidance of assessees and I hope it will be on sale in about six weeks time.

Dr. P. N. Banerjea: What about confidential circulars?

Mr. J. F. Sheehy: These are administrative and concern purely departmental matters. They do not concern the public at all. They are instructions to our officers.

Babu Bajnath Bajoria: Will Mr Ayers' advice be assessing with penalty?

Mr. J. F. Sheehy: I cannot tell you what his advice will be. My Honourable friend, Babu Bajnath Bajoria, also referred to war gifts. The same question was raised in the House of Commons not so long ago and I remember seeing an answer given to the effect that the Government were not concerned with the way in which income is spent, after it has been earned. On principle they will never allow war gifts as an expense of a business. In England, for example, where there is 100 per cent excess profits tax, obviously the whole of the gift would be at the expense of the revenue.

My Honourable friend, Dr Sir Ziauddin Ahmad, also referred to increase of staff. I have got the figures here of the various increase that we have made in all the provinces and I can show them to him at any time. The statement is too long to be read out. We have, generally speaking, given the Commissioners all the staff they wanted to administer this Act. We have given in all I think about 15 Additional Income-tax Officers posts for somewhat less than 3,000 assessees, that is one income-tax officer for about 200 assesses.

Sir Cowasji Jehangir: When he says that the total cost in 1937-38 is lower than today, it cannot be correct.

Mr. J. F. Sheehy: Higher. In those days you had a large extra staff for smaller incomes of Rs 1,000 to Rs 2,000.

Dr. Sir Ziauddin Ahmad: I wish to draw the attention to the explanatory memorandum. During the last six years the cost of collection has diminished by five lakhs, actually the amount collected has increased by 2½ times. This shows that the staff has increased.

Mr. J. F. Sheehy: It is quite clear that there need not be any fixed relation between the cost of collection and the amount collected, because the same staff is required to collect income-tax in a slump period as you employ to collect income-tax in a boom period. I do not think I have got anything more to say on the points with which I am concerned.

Mr. President (The Honourable Sir Abdur Rahim) The Question is
 "That the Bill further to amend the Excess Profits Tax, 1940, be taken into consideration."

The motion was adopted

Clauses 2, 3, 4, 5 and 6 were added to the Bill

Clause 1 was added to the Bill

The Title and the Preamble were added to the Bill

The Honourable Sir Jeremy Raisman: Sir, I move

"That the Bill be passed"

I will only touch on Sir Frederick James' remark and say that I still maintain that since the Excess Profits Tax has been fixed by the Finance Bill at sixty-six and two-thirds per cent, the effect of the relevant clause in this Bill is to enable that intention to be carried out in a manner which is helpful to the taxpayer. With regard to Sir Ziauddin Ahmad I have not been able to find which column on page 23 he was quoting from.

Dr. Sir Ziauddin Ahmad: I was quoting columns 4 and 5 on page 23 of the Explanatory Memorandum.

The Honourable Sir Jeremy Raisman: It is the percentage that has gone down. I think my Honourable friend was stating the actual amount. It is less than it used to be in the years 1935-36 and 1936-37. That is because the tax on incomes between one thousand and two thousand was a bad tax in the sense that a very large proportion of the yield had to be spent on administration. It did not satisfy one of the criteria of a good tax. I hope this may never have to be quoted against me but it is a fact which I cannot deny, and, therefore, the exclusion of that class from the tax had the effect of improving the percentage of the cost of collection of the whole tax.

I will only add that the two cases that my Honourable friend, Mr. Bajoria, referred to were cases which have come to my personal notice and I do not consider that they are cases which reflect upon the administration of the department either in regard to income-tax or the excess profits tax.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the Bill be passed"

The motion was adopted

THE PROTECTIVE DUTIES CONTINUATION BILL

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Sir, I move.

"That the Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect, be taken into consideration."

This Bill relates to four items,—to iron and steel manufactures, to silver thread and wire (including so-called gold thread and wire mainly made of silver) and to sugar. The duties on all these items expire at the end of this month. It is proposed by this Bill to extend the period of protection for another year, that is, till the end of March, 1942. Taking the case

[Drwan Bahadur Sir A Ramaswami Mudaliar.]

of silver thread and wire, it is obvious that it is impossible to calculate in the present circumstances on the articles imported or imported at artificial prices, the actual level of duty that may be required for the purpose. The same is the case virtually with reference to sugar, though there are other considerations also which have entered into a decision on this question. Some of them I adverted to when I spoke the other day in reply to the debate on the Finance Bill. As regards iron and steel manufacturers, to a certain extent the same consideration applies, that it is impossible at the present time to measure the level of protection. But to be fair to the House and to the general public, I should like to add that the question whether any protection is necessary at all for this industry is also engaging the consideration of Government. It is possible that this industry, after all the years of protection that it has enjoyed, after all the sacrifice that the consumer has made, may find itself in a position to stand on its own legs, and it is this consideration that has made me or made Government confine the period of protection at present to one year. It may be some consolation to the consumer, and I venture to make bold to say this in any case that the long period of protection for this industry may either come to an end soon or that the quantum of protection required, if at all, will be very materially reduced. In either case the present is not the time when we can come to any settled conclusion. It is not possible, if the policy of protection has to be abandoned, to here and now definitely fix what level of revenue duties in that case would be required for this article. As the House will easily realise, if protective duties are to be removed, it does not mean that the import of this commodity will be free of all duties. A level of revenue duties will then have to take the place of the present system of protective duties, and when Honourable Members go through the customs tariff and find out the large numbers of commodities which are subject to revenue and protective duties, and so on, Honourable Members will realise that even the question of fixing a proper level of revenue duties requires careful consideration, and that is the reason why at the present time we propose merely to extend the period of protection by another year.

Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That the Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934 shall have effect, be taken into consideration."

The Assembly then adjourned till Eleven of the Clock on Monday, the 24th March, 1941

LEGISLATIVE ASSEMBLY.

Monday, 24th March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair.

MEMBERS SWORN

Mr John Herbert Thomas, M L A (Government of India Nominated Official), and

Mr Jamnadas Madhavji Mehta, M L A (Bombay Central Division Non-Muhammadan Rural)

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

CONTROL OF STATION MASTERS AND COMMERCIAL GROUP STUDENTS BY THE GENERAL MANAGER ON NORTH WESTERN RAILWAY

473. *Mr. Laichand Navalrai: Will the Honourable Member for Railways be pleased to state

- (a) whether it is a fact that Commercial group staff drawing salary up to Rs 90 are controlled by the Divisional Superintendents, North Western Railway, and Station Masters drawing salary up to Rs 140 also? If so, why are the Station Masters and Commercial Group students getting an initial pay of Rs 80 controlled by the General Manager and thus final selections made in his office only, and
- (b) on which other State-managed Railways are two selection boards held for recruitment of the persons of the status of Station Masters and commercial staff in the initial grade? If on none, why has the General Manager, North Western Railway, been allowed to take these powers by only a note to paragraph 2 of his Circular 1 of 1927, part (A)?

The Honourable Sir Andrew Clow: (a) If by 'control' the Honourable Member refers to the control of recruitment, the answer to the first part is in the negative, the second part does not arise

(b) None, the General Manager has been empowered to take the action by Note under Rule 74 in Appendix II of the State Railway Establishment Code, Vol I

Mr. Laichand Navalrai: May I know if the staff referred to in part (a) of the question is controlled by the General Manager or not?

The Honourable Sir Andrew Clow: They are controlled by the headquarters office so far as recruitment is concerned.

Mr. Lalchand Navalrai: Why is that anomaly? They can be controlled by the Divisional Office and their appointment is through the General Manager's office?

The Honourable Sir Andrew Clow: It is very often the case that it is convenient to have one authority for recruitment and another authority for control.

Mr. Lalchand Navalrai: Is it not a fact that the officer who appoints should also dismiss and discharge?

The Honourable Sir Andrew Clow: I think that is normally the case, but not invariably.

Mr. Lalchand Navalrai: If it is the normal case, why is it that their discharge and dismissal are not in the hands of the General Manager?

The Honourable Sir Andrew Clow: I am not aware where the powers regarding dismissal and discharge lie.

SCALES OF PAY OF GANG STAFF ON JACOBABAD-KASHMORE SECTION, NORTH WESTERN RAILWAY

474. *Mr. Lalchand Navalrai: Will the Honourable Member for Railways be pleased to refer to his answer to parts (d) to (h) of starred question No. 180, asked on the 20th November, 1940, in regard to fitting of gang staff on Jacobabad-Kashmore section of the North Western Railway on lower scales of pay and state whether they have been refixed in 'C' scales of pay, which they have drawn since 1920? If not, why not?

The Honourable Sir Andrew Clow: The matter is still under examination.

RENT OF SHOPS AND STALLS CHARGED IN LUMP SUM FROM CONTRACTORS ON NORTH WESTERN RAILWAY

475. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable Member for Railways please state whether it is or it is not a fact that on the North Western Railway and other State Railways the rent of shops and stalls used to be charged monthly, but from 1st August, 1940, the contractors have been called upon by the Agent, North Western Railway, to pay the full amount up to March 1941?

(b) Is it or is it not a fact that each contractor has to deposit cash as security, has to pay cash price for the uniforms for the vendors, and has to pay for the furniture?

(c) Is it or is it not a fact that, in case of buildings rented by Railway Administrations, rent is paid monthly and not in a lump sum in advance?

(d) If the answer to part (a) be in the affirmative, have Government considered the advisability of persuading the Railway authorities to revert to the old system of charging rents monthly instead of a lump sum, and thus give some relief to the contractors?

The Honourable Sir Andrew Clow: (a) On the North Western Railway no rent is levied at present on those portions of buildings allotted to vendors

as shops. Rents for stalls continue to be recovered on a monthly basis as in the past. No such order has been issued by the General Manager, North Western Railway. I have no information as to the procedure on other State Railways.

(b) Yes, except that furniture is not supplied by the Railway administration

(c) I believe this is usually the case

(d) I understand that from the 1st of April, 1941, charges, which will include rentals, will be recovered by the North Western Railway on a monthly basis.

Qazi Muhammad Ahmad Kazmi: There is no foundation for the allegation in part (a) of the question?

The Honourable Sir Andrew Clow: I did not say that there was no foundation for it, I said it was incorrect. There are rentals recovered on residential portion, but the question related to shops

Qazi Muhammad Ahmad Kazmi: Are they on a monthly basis or on an annual basis?

The Honourable Sir Andrew Clow: I think the practice recently has been to recover yearly on all the divisions except Delhi, but I believe the matter has been under consideration

Qazi Muhammad Ahmad Kazmi: It is not yet finally decided, but the practice up till now was that it was recovered monthly and not annually?

The Honourable Sir Andrew Clow: I think that is the practice which is now being resorted to

Mr. M. S. Aney: Is it a fact that except in Delhi no rent is charged for the shop or the stalls used by these men on the N W Railway?

The Honourable Sir Andrew Clow: That has been the practice, but from the 1st April of this year, in conformity with the general principle of charging economic rent, I believe that charges will be levied

Qazi Muhammad Ahmad Kazmi: But they will be on a monthly basis and not on an annual basis?

Mr. Lalchand Navalrai: May I know whether with regard to the stalls also they have to pay monthly, or they have to pay on an yearly basis in advance?

The Honourable Sir Andrew Clow: I would refer to my answer to part (d) of the question, in which I said; "I understand that from the 1st of April, 1941, charges, which will include rentals, will be recovered by the N W Railway on a monthly basis".

DIVERSION OF ROUTE OF THE 57 UP AND 58 DOWN BOMBAY EXPRESSES.

476. **"Qazi Muhammad Ahmad Kazmi:** (a) Will the Honourable Member for Railways please state whether it is or it is not a fact that

57 Up and 58 Down Bombay Expresses previously used to run via Saharanpur and have for some time past been diverted to Delhi-Ambala-Kalka route?

(b) Is it or is it not a fact that on the Saharanpur route, a number of business centres, such as, Ghaziabad, Meerut, Muzaffarnagar, Saharanpur and hill stations via Saharanpur have far more through traffic from the Great Indian Peninsula Railway than the stations on the Delhi-Ambala-Kalka section?

(c) Is it or is it not a fact that many representations against this diversion have been made by the public?

(d) Have Government considered the advisability of persuading the Railway authorities to prescribe the Saharanpur route for the said Express trains and remove a standing grievance of the public?

The Honourable Sir Andrew Clow: (a) Yes

(b) I understand the Honourable Member's statement is substantially correct

(c) I believe that representations have been received from certain local interests

(d) Yes, and they have concluded that it is inadvisable

Qazi Muhammad Ahmad Kazmi: Will the train be allowed to run via Saharanpur?

The Honourable Sir Andrew Clow: I said that we had reached the conclusion that it was inadvisable to make the change.

Qazi Muhammad Ahmad Kazmi: When the Honourable Member has admitted that all the allegations are substantially correct, what are the reasons why he does not find it advisable to make the necessary change?

The Honourable Sir Andrew Clow: Because we have to consider not merely the stations lying between here and Ambala but important places lying beyond and diversion by the Saharanpur line would add to the time taken to reach a great many places beyond Ambala and Ambala itself

Qazi Muhammad Ahmad Kazmi: What would be the difference in time if the train is diverted via Saharanpur?

The Honourable Sir Andrew Clow: I cannot say, it will depend partly on the traffic, but the Honourable Member can compare the mileages by looking at the time tables

Qazi Muhammad Ahmad Kazmi: It may be very little

The Honourable Sir Andrew Clow: It might make quite an appreciable difference

Mr. Lalchand Navalrai I want to know whether this is the only direct express train from Lahore to Delhi via Ambala and Kalka?

The Honourable Sir Andrew Clow: I do not think it is, but I would refer the Honourable Member to the time table for exact information.

ISSUE OF CONCESSION TICKETS TO INDIVIDUAL STUDENTS AND, IF BELOW 12 YEARS' AGE, ALSO TO THEIR GUARDIANS.

477. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state whether it is or it is not a fact that on the East Indian Railway concession tickets are given to students only when they are four or more in number?

(b) Is it or is it not a fact that a concession ticket to a guardian is granted only in cases when all the four students applying for a concession are under 12 years of age? If not, what is the rule?

(c) Is it or is it not a fact that some of the students going away from schools and colleges have to travel singly or at the most accompanied by their guardians and as such cannot avail of concession tickets?

(d) Have Government considered the advisability of so amending the concession ticket rules that they may be available to single students, or in case of a student under 12 years of age, to a student and his guardian?

The Honourable Sir Andrew Clow: (a) Yes this is the practice on most railways

(b) In the case of children under 12 years of age and also in case of girl students of any age, the same concession is allowed to one attendant for every four such children or girl students

(c) I am prepared to accept the Honourable Member's statement

(d) Government do not consider that there is any commercial justification for extending the scope of the concession as suggested

Qazi Muhammad Ahmad Kazmi: May I know whether the concessions that are granted to students are on the basis of giving facilities to the student community, or for making profit from the commercial point of view?

The Honourable Sir Andrew Clow: We regard it as commercial and encourage parties travelling in this fashion

Qazi Muhammad Ahmad Kazmi: The intention is not to give the student community any benefit of that concession?

The Honourable Sir Andrew Clow: It has that advantage, but we are not a philanthropic institution

Mr. Lalchand Navalrai: Why is not that concession given when they cannot secure four people? They may not belong to the same place, and why should not even one or two children, if they belong to one place and are accompanied by a guardian, get this concession?

The Honourable Sir Andrew Clow: There is no reason for allowing two persons to travel except at rates which are charged for single persons.

Mr. Lalchand Navalrai: It is only a convenience given on account of the children. Then, why is not the concession given?

The Honourable Sir Andrew Clow: It is not given for philanthropic reasons. It is based on commercial justification

CERTAIN TRAIN CONNECTIONS AT GHAZIABAD RAILWAY STATION.

478. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Railway Member please state whether it is or it is not a fact that formerly there used to be connection between 139 Up East Indian Railway train, and 26 Down North Western Railway train with 165 Up North Western Railway and 140 Down East Indian Railway trains, respectively, at Ghaziabad, but now the two latter trains leave about ten minutes before the arrival of the two former trains, respectively, which causes great inconvenience to the public?

(b) Have Government considered the advisability of establishing proper connections between the above mentioned trains and remove a standing grievance of the public?

The Honourable Sir Andrew Clow: (a) and (b) The facts are as stated by the Honourable Member. I understand that through passengers from stations north of Ghaziabad to the Tundla section of the East Indian Railway, and *vice versa* have the option of travelling by many other trains which give suitable connections at Ghaziabad. The inconvenience is, therefore, confined to those choosing to travel by these particular trains. I am bringing the question to the notice of the General Managers, East Indian and North Western Railways, for such action as they consider necessary.

RAILWAY FREIGHT CONCESSION FOR AFGHAN GOODS.

479 *Mr. Govind V. Deshmukh: (a) Will the Honourable the Railway Member please state if railway freight on Afghan goods passing through India has been reduced? If so, to what extent and why?

(b) Was any corresponding concession sought for India by Government when giving this concession of reduced rate to the Afghan goods? If not, why not?

The Honourable Sir Andrew Clow: (a) A rebate of 50 per cent is granted on Afghan cotton moving to Karachi in order to secure traffic.

(b) No, because the arrangement was regarded as carrying its own justification.

Mr. Govind V. Deshmukh: What were the reasons which justified the Government in arriving at this arrangement?

The Honourable Sir Andrew Clow: I have given the reason so far as the Railway Department for which I am responsible is concerned. If the Honourable Member wishes to know other considerations, he should address the question to the Member concerned.

Mr. Lalchand Navalrai: Does the Honourable Member know that these Afghans who are given concession go to Karachi and create a row there and cause disturbance?

The Honourable Sir Andrew Clow: I am not aware of that.

Mr. Govind V. Deshmukh: Will the Honourable Member consider the cancellation of the reduction of these freights in view of the fact that the Afghans do not show any reciprocal agreement in other matters, for instance, trade?

The Honourable Sir Andrew Clow: It is not under consideration at the moment.

REPRESENTATION CONCERNING INDO-AFGHAN EXCHANGE HUNDI

480. *Mr. Govind V. Deshmukh: (a) Will the Foreign Secretary please state if Government received any representation from the Frontier Chamber of Commerce, Peshawar, directly as well as through His Excellency the Governor, North-West Frontier Province, with regard to the Indo Afghan Exchange Hundⁱ?

(b) What action have Government taken to relieve the Indian traders in Kabul in this respect?

(c) Are Government prepared to take steps to have a permanent solution of this Hundⁱ problem?

Mr. O. K. Garoe: (a) Yes

(b) The Government of India have given careful consideration to the representations made by and on behalf of Indian traders in Afghanistan in respect of their difficulties over rupee exchange, and it is intended that this matter should find place in certain forthcoming discussions with the Afghan Government

(c) The Government of India are confident that it should not be impossible to find a permanent solution satisfactory to both Governments

Mr. Govind V. Deshmukh: Is there any likelihood of this forthcoming conference being held in the very near future?

Mr. O. K. Garoe: I did not say there was going to be a conference I said "forthcoming discussions"

Mr. Govind V. Deshmukh: When do they expect these discussions to take place?

Mr. O. K. Garoe: They are being carried on now

Mr. Govind V. Deshmukh: May I know the points which form the subject matter of the discussion?

Mr. O. K. Garoe: That does not arise out of the question

Mr. Govind V. Deshmukh: May I know one thing? Will the difficulties of the Indian merchants, in regard to the Indo-Afghan rupee exchange, be removed? At present they are required to pay a higher price for dry fruits in Afghanistan and then sell the same at a lower price in India?

Mr. O. K. Garoe: That hardly arises out of this question, and in any case I should ask for notice

Mr. Govind V. Deshmukh: I have raised the question of Indo-Afghan exchange in this question, and I am in order

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member wants notice.

Mr. M. S. Aney: Are these discussions going on by correspondence or between representatives of the two Governments?

Mr. O. K. Garoe: By correspondence, and also through His Majesty's Legation in Kabul

Mr. Govind V. Deshmukh: Will that correspondence be laid on the table?

Mr. O. K. Garoe: No

REFUSAL OF LEAVE FOR SAYING *Id* PRAYERS TO THE BOOKING CLERK AT SHIKARPUR RAILWAY STATION

481. *Maulvi Muhammad Abdul Ghani: (a) Will the Honourable the Railway Member be pleased to state whether his attention has been drawn to the statement published in the *Zamindar* of Lahore, page 17, dated the 12th November, 1940?

(b) Is it or is it not a fact that the Station Master at Shikarpur rejected the application of the Booking Clerk for leave to say *Id* prayers in spite of the fact that the Chief Booking Clerk wrote on his application that he would manage the work in the applicant's absence?

(c) Is it or is it not a fact that even the request of the said Booking Clerk for a change in the hours of duty was rejected by the Station Master?

(d) Is it or is it not a fact that even the request of the said Booking Clerk for one hour's leave from 10-30 A.M. to 11-30 A.M. during which time no tickets were to be sold, was rejected by the Station Master?

(e) Have Government considered the advisability of taking such steps in the matter as to stop recurrence of such refusals in future?

(f) Is it a fact that the Station Master in question has ever granted leave to any Hindu Booking Clerk or Assistant Station Master or a Ticket Collector during the last three years?

The Honourable Sir Andrew Clow: (a) I have seen the article referred to

(b), (c), (d) and (t) I have no confirmation of the correctness of the statements made, but I am forwarding a copy of the question and thus reply to the General Manager, North Western Railway, for such action as he may deem necessary

(e) Government do not propose to issue instructions. If the actual facts are such as to give any individual grounds for complaint it is open to him to prefer a complaint to the appropriate authority who, if satisfied that there has been unreasonable treatment, can take such action as may be necessary

Mr. Lalchand Navalrai: May I know if there is any rule forcing the hands of the Station Master to give leave?

The Honourable Sir Andrew Clow: There is no rule, as far as I know, compelling any authority to give leave in all circumstances

NON-EXEMPTION FROM THE STANDARD OF EDUCATIONAL QUALIFICATIONS OF CERTAIN INFERIOR SERVANTS ON NORTH WESTERN RAILWAY.

482. *Bhai Parma Nand: Will the Honourable Member for Railways please state

- (a) whether it is a fact that inferior servants on the North Western Railway appointed prior to the 1st April, 1926, are exempted from the standard of educational qualifications and age limit prescribed for direct recruitment when recruited in vacancies in the recognised channels of promotion,
- (b) whether it is a fact that the General Manager ordered in September 1938, that staff appointed thereafter shall not be exempted from the standard of educational qualifications when promoted in vacancies in the recognised channels of promotion, and
- (c) the reasons for not exempting the staff appointed between the 1st April, 1926, and 13th September, 1938, from the standard of educational qualifications and why are they not promoted like others?

The Honourable Sir Andrew Clow: (a) and (b) Yes

(c) I would refer the Honourable Member to the reply to part (a) of his question No 142 asked on 20th November, 1940

NON-ALLOTMENT OF GOVERNMENT QUARTERS TO THE STAFF OF THE POSTS AND TELEGRAPH DEPARTMENTS LOCATED IN OLD DELHI

483. *Mr. H. A. Sathar H. Essak Sait (on behalf of Mr Muhammad Azhar Ali) (a) Will the Honourable the Communications Member please state whether it is a fact that the staff of the offices of the Posts and Telegraphs Department located in Old Delhi are neither allotted the departmental quarters in New Delhi, nor are they treated as entitled to the Public Works Department quarters in Old Delhi, where there are no departmental quarters for them?

(b) Is it a fact that the low paid staff of Telegraph Traffic and Engineering Branches get quarters in New Delhi in preference to the staff of Telephone Revenue office who are more highly paid?

(c) Is it a fact that higher type of Posts and Telegraphs quarters are allotted to staff who are not entitled to higher type of accommodation on pay basis under the Public Works Department rules, for instance, D type quarters are allotted to officials getting less than Rs 75, the limit fixed by the Public Works Department?

(d) Is it a fact that B type quarters of the Central Public Works Department are allotted to officials drawing over Rs 350 and therefore fetch standard rent?

(e) Is it a fact that in the Posts and Telegraphs Department, this type of quarters are allotted to staff getting much less than Rs 350? Does not this result in any loss of revenue to the Department?

(f) Is the Honourable Member prepared to take action so that the Posts and Telegraphs Department offices located in Old Delhi are treated in the same way as the offices located in New Delhi in the matter of allotment of

quarters in New Delhi, or to treat those offices as eligible for allotment of quarters like other subordinate offices of other departments and local Government?

The Honourable Sir Andrew Clow: (a) The staff working in Old Delhi, except the Postmasters, are entitled neither to departmental quarters in New Delhi, nor to Central Public Works Department quarters in Old Delhi, but a certain number of Central Public Works Department quarters have been allotted for their use

(b) The question of preference in allotments does not arise as the staff of the Telephone Revenue Accounts office in Old Delhi is not entitled to quarters in New Delhi

(c) Yes, because originally 'E' type classification did not exist and 'D' type quarters were allotted without discrimination. It has since been decided not to allot in future 'D' type quarters to officials entitled to 'E' type quarters

(d) Yes, except in the case of Unorthodox 'B' type quarters which fetch standard rent in case of officers drawing a pay of over Rs 484 a month

(e) Yes, because some junior officials happen to be stationed in New Delhi, but this does not result in any loss as they are entitled to a house rent allowance varying from Rs 35 to Rs 50 per month

(f) No

UNSTARRED QUESTIONS AND ANSWERS

CUTTINGS FROM MAGAZINES OF SERVICE ORGANISATIONS TAKEN IN THE OFFICES OF THE POSTMASTERS GENERAL

163. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please state whether it is a fact that cuttings from magazines of service organisations in the Posts and Telegraphs Department are taken in the offices of the Postmasters General?

(b) Is it a fact that the editors of such magazines are not informed of the results of enquiry and action in respect of irregularities complained therein? If not, why not?

(c) Is it a fact that no notice is taken of these writings? If not, why not?

The Honourable Sir Andrew Clow: (a) Extracts or cuttings from magazines of service organizations are taken when Postmasters General consider it necessary to make enquiries regarding the subject matter

(b) and (c) The results of such enquiries are not communicated to the Editors except when, for any special reason, the Postmaster General considers this necessary. Government provide regular channels and procedure for the submission of service complaints and cannot agree to regard periodicals, even when these are run by service organizations, as constituting an alternative channel of approach.

ROTATION OF CLERKS IN CALCUTTA CENTRAL TELEGRAPH OFFICE

164. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please refer to the reply to parts (d) and (f) of my starred question No. 628, dated the 20th September, 1937 regarding Central Telegraph Office, Calcutta and state if the Postmaster General, Bengal and Assam Circle since had any discussion with representatives of the staff?

(b) Is it a fact that he refused to discuss the matter with the service organisations? If so, why?

(c) If not, are Government prepared to issue instructions to the Postmaster General, Bengal and Assam Circle to discuss the matter "with representatives of the staff"? If not, why not?

Sir Gurunath Bewoor: (a) No

(b) The reply to the first part is in the negative. The latter part does not arise.

(c) Government do not propose to issue any such instructions as the present arrangements are working well and the matter is within the discretion of the Postmaster General.

IRREGULARITIES IN ROTATION OF CLERKS IN CENTRAL TELEGRAPH OFFICES

165. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please state whether it is a fact that various irregularities in rotation of clerks in the Central Telegraph Offices have been pointed out by service organisations and in appeals and representations of staff in Madras, Bombay and Calcutta?

(b) Do Government propose to invite suggestions from service organisations for revision of rotation order to remove all irregularities? If not, why not?

Sir Gurunath Bewoor: (a) and (b) Some representations were received from Service Associations and members of the staff alleging certain irregularities but in each case the Postmaster General concerned after due enquiry was satisfied that the general principles of rotation were being duly followed. Government do not consider that any revision of the existing orders is called for and do not propose to invite suggestions from Service Organisations for that purpose.

TECHNICAL ADVISER AT BOMBAY AND MADRAS CENTRAL TELEGRAPH OFFICES.

166. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications state if there is any Technical Adviser at the Bombay and Madras Central Telegraph Offices?

(b) Is it a fact that a Morse Telegraphist has been appointed in Bombay Telegraph Office on non-operative technical post as technical adviser?

Sir Gurunath Bewoor: (a) and (b) No

TECHNICAL PERSONAL ASSISTANT TO THE ASSISTANT SUPERINTENDENT, INSTRUMENT ROOM, IN BOMBAY AND MADRAS CENTRAL TELEGRAPH OFFICES.

167. Pandit Nilakantha Das: Will the Honourable Member for Communications please state whether there is any Technical Personal Assistant

to the Assistant Superintendent, Instrument Room, in Bombay and Madras Central Telegraph Offices?

Sir Gurunath Bewoor: No

**TECHNICAL PERSONAL ASSISTANT TO THE ASSISTANT SUPERINTENDENT,
INSTRUMENT ROOM, IN CALCUTTA CENTRAL TELEGRAPH OFFICE**

168. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please state whether it is a fact that there is a Technical Personal Assistant to the Assistant Superintendent, Instrument Room in the Central Telegraph Office, Calcutta? If so, what are his main duties?

(b) Is it a fact that incremental tests are conducted in the Central Telegraph Office, Calcutta, by the instructor of the training class?

(c) Is it a fact that the technical Personal Assistant to the Assistant Superintendent, Instrument Room attends to technical complaints in the Central Telegraph Office, Calcutta?

(d) Is it a fact that recently a technical adviser has been sanctioned for complaint section of the Central Telegraph Office, Calcutta? If so, what are his duties?

Sir Gurunath Bewoor: (a) Yes His main duties are

Attending to irregularities in the eight hours Morning Report, making up circuits (in consultation with the Assistant Superintendent on duty), attending to cases received from distant stations regarding technical matters demanding immediate attention daily check of Hourly Outturn Statements and maintenance of fault sheets of Telegraphists, dealing with irregularities in pie money cases and local complaints against the operative staff

(b) and (c) No

(d) Yes, the duties are

(1) Scrutiny of all complaint cases of a technical nature and drafting replies thereto after enquiry

(2) Scrutiny of monthly service messages and necessary enquiry relating thereto

(3) Attending to cases received from outstations relating to operative work

(4) Compilation of reports on the working conditions of lines etc in connection with the Tablet Check and Half Yearly Returns

(5) Miscellaneous assistance of a technical nature in connection with mutilations, statistics, reports, etc., requiring technical knowledge

**TECHNICAL PERSONAL ASSISTANT TO THE ASSISTANT SUPERINTENDENT,
INSTRUMENT ROOM, IN BOMBAY AND MADRAS CENTRAL TELEGRAPH OFFICES**

169. Pandit Nilakantha Das: Will the Honourable Member for Communications please state whether Government propose to sanction technical

Personal Assistant to Assistant Superintendent, Instrument Room in Bombay and Madras Central Telegraph Offices? If not, why not?

Sir Gurunath Bewoor: No, as it is not considered necessary

APPOINTMENT OF A BAUDOT TELEGRAPHIST AS TECHNICAL ADVISER IN CALCUTTA CENTRAL TELEGRAPH OFFICE

170. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please state whether it is a fact that the post of technical adviser recently sanctioned for the Central Telegraph Office, Calcutta, has been offered to a Baudot Telegraphist, whereas in Bombay a Morse Telegraphist holds the post?

(b) Will Government state how long this particular Baudot Telegraphist has been holding day duty posts?

(c) Is it a fact that this Telegraphist was attached to the statistics section on clerical work? If so, for how long?

(d) Is it a fact that Morse Telegraphists cannot work on Baudot, whereas Baudot Telegraphists can work on Morse?

(e) Is it a fact that Bombay office has appointed a Morse Telegraphist to the post of technical adviser? Is no Morse Telegraphist available in Central Telegraph Office, Calcutta?

(f) Do Government propose to place a senior Morse hand in the post in the Central Telegraph Office, Calcutta, and introduce rotation of incumbents in turn? If not, why not?

Sir Gurunath Bewoor: (a) The facts are as stated so far as the Calcutta Central Telegraph Office is concerned. There is no such appointment in the Bombay Central Telegraph Office.

(b) Since March, 1940

(c) No. The latter part does not arise

(d) Yes.

(e) As stated in the reply to part (a) of the question there is no post of technical adviser in the Bombay Central Telegraph Office. Morse Telegraphists are available in the Calcutta Central Telegraph Office.

(f) No, as knowledge of Baudot working is necessary for the duties of the post.

LATEST ORDERS re ROTATION OF CLERKS IN TELEGRAPH OFFICES

171. Pandit Nilakantha Das: Will the Honourable Member for Communications please state the latest orders under which rotation of clerks is effected in Telegraph offices?

Sir Gurunath Bewoor: The orders are contained in the Director General's letter No. 948-Es A/32, dated the 8th September, 1938, a copy of which will be found in the Library of the House.

DISCONTINUANCE OF SELECTION GRADE EXAMINATION IN POST AND TELEGRAPH OFFICES

172. Pandit Nilakantha Das: Will the Honourable Member for Communications please state whether it is a fact that selection grade examination has been discontinued in Posts and Telegraph Offices? If so, do Government propose to revive it? If not, why not?

The Honourable Sir Andrew Clow: The reply to the first part is in the affirmative.

The Government do not propose to revive the Lower Selection Grade Examination as they consider that it did not give satisfactory results

ROTATION OF CLERKS IN CENTRAL TELEGRAPH OFFICES

173. Pandit Nilakantha Das: Will the Honourable Member for Communications please state whether it is a fact that the object of a regular and compulsory rotation of all clerks in Central Telegraph Offices was to give respite to clerks in irregular duty sections and acquaint all with the working system of all points in all sections in turn?

Sir Gurunath Bewoor: The present orders do not provide for a regular and compulsory rotation of all clerks. The objects underlying the system are indicated in the Director General's letter No. 948-Es A/82, dated the 8th September, 1938, a copy of which is in the Library of the House

ROTATION OF CLERKS IN CALCUTTA CENTRAL TELEGRAPH OFFICE.

174. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please state whether it is a fact that in the Central Telegraph Office, Calcutta, rotation is confined to volunteers only from irregular duty sections and clerks working in regular duty sections?

(b) Are Government aware that a sufficient number of clerks do not volunteer for want of uniform flow of rotation at regular intervals? What is the total number of clerks in the Central Telegraph Office, Calcutta, and the number in irregular duties and how the number of volunteers in waiting list upto 28th February, 1941? When was the last volunteer called? Can any one volunteer at any time?

(c) Is it a fact that according to orders a clerk should not be retained in a post for more than a maximum period of one year?

(d) Is it a fact that Postmasters General can extend the period of retention of officials in exceptional cases? If so, is there any limit for it? If so, what?

(e) How many clerks got such special treatment in the Central Telegraph Office, Calcutta, during the last three years, and why? When are they likely to be rotated?

Sir Gurunath Bewoor: (a) Yes

(b) The information in my possession shows that there has been an adequate number of volunteers and that rotation is arranged at regular intervals as far as exigencies of service permit. The total number of clerks in the Central Telegraph Office, Calcutta, is 248; the number in irregular duties is 186; the number of volunteers on the waiting list on

February 28th was six. The last volunteer was called in June-July, 1938. The reply to the last part of the question is in the affirmative.

(c) and (d) The Honourable Member is referred to the orders contained in the Director General's letter No 948-Es A./32, dated the 8th September, 1933, a copy of which will be found in the Library of the House.

(e) Three clerks have been retained in their present posts for more than a year as a special case in the interests of the service. Their duties will be changed when other clerks who are learning the work have acquired sufficient knowledge.

PROPOSAL FOR ABOLITION OF ROTATION SYSTEM IN CENTRAL TELEGRAPH OFFICES

175. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications please state whether Government propose to abolish rotation system in Central Telegraph Offices? If so, why?

(b) Is it a fact that a scheme is under consideration of Government to revive the old system of placing clerks in responsible and regular day duty posts according to seniority? If so, do Government propose to obtain the views of the service organisations in the matter? If not, why not?

Sir Gurunath Bewoor: (a) The reply to the first part is in the negative. The second part does not arise.

(b) The reply to the first part is in the negative. The latter parts do not arise.

OVERTIME REQUIRED FOR SIGNALLING STAFF IN CALCUTTA CENTRAL TELEGRAPH OFFICE SINCE THE WAR BEGAN

176. Pandit Nilakantha Das: (a) Will the Honourable Member for Communications state the total amount of overtime required for signalling staff in the Central Telegraph Office, Calcutta, since the war—year by year? What was the amount in 1938?

(b) Is it a fact that overtime is mostly required on Baudot and Murray circuits?

(c) How many Baudot Telegraphists are employed on non-operative duties in the Central Telegraph Office, Calcutta, and why?

(d) Can they not be replaced by Morse hands?

(e) Do Government propose to utilise all Baudot Telegraphists on operative work to minimise overtime? If not, why not?

(f) Do Government propose to increase the permanent staff of the Central Telegraph Office, Calcutta, operative and supervisory, to counteract the increased expenditure on overtime? If not, why not?

The Honourable Sir Andrew Clow: (a) The amount of overtime allowance paid during the financial year 1938-39 was Rs 3,761-0-0, during the period of eighteen months since the outbreak of war from September, 1939 to February, 1941, it was Rs 24,262-2-0.

(b) Yes

(c) Eleven Baudot telegraphists are so employed either because of their technical knowledge or because of their seniority and experience which are necessary in the posts in which they are employed

(d) Yes, if suitable men are available

(e) Yes, if those Baudot telegraphists now employed on non-operative duties could be relieved on suitable non-Baudot telegraphists becoming available The matter is under the consideration of the Postmaster General

(f) There is no justification for increasing the permanent strength to meet comparatively temporary increases in traffic which can be met by the temporary employment of non-departmental telegraphists and postal signallers or by overtime employment

GAZETTED AND NON-GAZETTED STAFF ON STATE RAILWAYS AND THEIR DUTIES.

177. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please lay on the table a statement showing the posts, and

The Honourable Sir Andrew Clow: The different designations used for gazetted staff by the four State-managed Railways and the scales of pay will be found in the Classified List of State Railway Establishment and Distribution Return of Establishment of all Railways, corrected up to the 31st December, 1939, a copy of which is in the Library of the House Information available with Government concerning non-gazetted staff is contained in the "Classified Lists of subordinate staff of all Departments on pay of Rs 250 and above or on scales of pay rising to Rs 250 and above", of the four State-managed Railways and the Establishment Rolls of the East Indian and Great Indian Peninsula Railways, copies of which are in the Library of the House As regards the latter part, the designations have been in use for many years and no practical advantage would result from making them uniform even if this was possible having regard to differences in organisation

POLICY CONCERNING ALTERATION OF DATE OF BIRTH ON EAST INDIAN RAILWAY

178. Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Railways please state whether it is a fact that the Deputy General Manager (P), East Indian Railway, Calcutta has informed the staff that the policy laid down by the Railway Board regarding the alteration in the recorded date of birth is directly contrary to the policy laid down by the General Manager? If so, how is it contrary and what is the policy of the Railway Board and the General Manager, respectively? If not, what is the real fact?

(b) Is it a fact that the Railway Board has advised the General Manager that the age of a railway servant as recorded at the time of his entry into service should not be altered? If so, what is the date from which the advice shall have effect?

(c) Is it a fact that the alteration in the recorded date of birth of the non-gazetted staff is within the competence of the General Manager and that no appeal against the order of the General Manager lies either to

the Railway Board or to the Government of India? If so, why is the right of appeal not given in the case of alteration of the recorded date of birth?

(d) Do Government now propose to implement their instructions to the General Managers of the State-managed Railways with the direction that in each and every case where the General Manager refused the alteration, the employee should be given the permission to obtain the injunction from a court of law in support of his correct date of birth? If not, why not?

The Honourable Sir Andrew Clow: (a) I have called for information and a further reply will be laid on the table of the House

(b) Yes, except under certain circumstances from 26th January, 1939

(c) The answer to the first part is in the affirmative, Government consider it neither necessary nor desirable that in such matters of detailed administration an appeal should lie beyond the General Manager

(d) No, because Government see no reason why a literate employee should not be held to the age he declared at the time of entry into ser-

RECORDS OF LEAVE ACCOUNT PRESERVED ON STATE RAILWAYS

179. Mr. Muhammad Azhar Ali: With reference to the reply given to unstarred question No 50, asked in the Legislative Assembly on the 16th November, 1940, regarding maintenance of leave accounts on State Railways, will the Honourable Member for Railways please lay on the table a statement showing the period up to which the records are preserved after a person ceased to be in service on the Eastern Bengal, the East Indian, the Great Indian Peninsula and the North Western Railways?

The Honourable Sir Andrew Clow: Enquiries are being made and a reply will be laid on the table in due course

DATE OF MAKING PAYMENT TO AN OFFICER OF GOVERNMENT ENTITLED TO RECEIVE PAYMENTS ON BEHALF OF GOVERNMENT

180. Mr. Muhammad Azhar Ali: With reference to the reply given to unstarred question No 115, asked in the Legislative Assembly on the 20th November, 1940, regarding date of making payment by cheques sent by post, will the Honourable Member for Railways please state the date for the receipt of the money remitted by money order in payment of Railway dues and the reasons for not accepting the date on which the money is tendered with the money order to the Post Office?

The Honourable Sir Andrew Clow: The practice on State-managed Railways is that the date on which the amount remitted by postal money order is actually received by the Railway is deemed to be the date of payment by the party concerned. I have not been able to trace the reason which led to the practice originally, but presume that it was because the money is not available to the railway until it has been received.

CHECKING OF DINING CARS AND REFRESHMENT ROOMS FOR UNPAID FOR PASSENGERS AND GOODS ON EAST INDIAN RAILWAY.

181. Mr. Muhammad Azhar Ali: Does the Honourable Member for Railways propose to ask the East Indian Railway to check dining cars and refreshment rooms for passengers and goods which may not have been paid for to the railways, and to take serious criminal action against the offending managers and contractors?

The Honourable Sir Andrew Clow: No, but I shall bring the question to the notice of the East Indian Railway Administration for such action as they may consider desirable.

FAILURE TO USE PURE *Ghee* FOR INDIAN MEALS BY BALLABHDAS ESWARDAS

182. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please state—

- (a) if Ballabhdas Eswardas have agreed to use pure ghee in the preparation of Indian meals;
- (b) if it is a fact that Ballabhdas Eswardas were prosecuted by the Howrah Municipality for adulteration and were convicted by a court in Howrah,
- (c) if it is a fact that this conviction for adulteration was upheld on appeal,
- (d) whether Government propose to cancel forthwith their contract over the Indian Railways and put them on Black List, if not, why not?

The Honourable Sir Andrew Clow: (a) I understand there is a stipulation to this effect in the firm's agreement with the North Western Railway but I am not aware of a similar stipulation in the agreements with other railways.

(b) and (c) No such prosecution has come to the notice of Government, but I am inquiring if there has been any such prosecution in connection with the supply of food on the East Indian Railway.

(d) No the contracts are between the firm and Railway Administrations.

INTRODUCTION OF NEW COMPLAINT BOOKS ON RAILWAYS.

183. Mr. Muhammad Azhar Ali: Is the Railway Member aware that passengers recording a complaint against bad food in the complaint books have no proof of having done so, and is the Honourable Member prepared to instruct individual railways to introduce new sorts of complaint books in which there should be three copies of one complaint out of which the original should remain in the book, the second copy be forwarded by managers to the railways and the third copy be retained by the railway passenger recording the complaint?

The Honourable Sir Andrew Clow: The answer to the first part is that so far as documentary proof is concerned, the complaint book itself constitutes the only evidence; the answer to the second part is in the negative.

FAILURE TO USE PURE *Ghee* FOR INDIAN MEALS BY BALLABHDAS ESWARDAS

184. Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Railways be pleased to state if it is a fact that Messrs. Ballabhdas Eswardas, the catering contractors over the East Indian and the North Western Railways, have agreed to use pure ghee in the preparation of Indian meals?

(b) Are the rate list in their dining cars and refreshment rooms and rates for puris, sweets and other eatables fixed by these railway administrations on the undertaking that pure ghee is to be used in all such meals and preparations?

(c) Is the Honourable Member aware that these contractors are using vegetable oils in preparations?

(d) If the reply to part (c) be in the negative, will the Honourable Member be pleased to make enquiries and state what stuff is being used by Messrs. Ballabhdas Eswardas in the preparation of such Indian meals?

(e) With reference to part (c), will the Honourable Member please state if Agmark ghee is being used? If not, is he prepared to ask the railway administrations to compel these catering contractors to use only Agmark ghee in their preparations?

The Honourable Sir Andrew Clow: (a) I would refer the Honourable Member to the reply given today to part (a) of his unstarred question No. 182

(b) This is presumably so on the North Western Railway

(c) No

(d) and (e) I am informed that at Delhi the contractors use either graded or Government sealed *ghee* or such *ghees* as has been certified pure by a competent analyst. I am making enquiries as to what is used by the firm on the East Indian and Great Indian Peninsula Railways. The reply to the last part of (e) is in the negative.

EXAMINATION OF MEALS SOLD TO RAILWAY PASSENGERS ON EAST INDIAN RAILWAY AND AT DELHI RAILWAY STATION

185. Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Railways be pleased to state the number of occasions in the Moradabad, Lucknow, Allahabad, Dinapore, Asansol and Howrah Divisions of the East Indian Railway and at Delhi station over the North Western Railway on which during one calendar year, surprise visits were paid by railway doctors for inspection and examination of meals sold to railway passengers?

(b) If no surprise visits were paid by railway doctors, will the Honourable Member please state the number of occasions on which the divisional officers and officers from the headquarter offices of these railways inspected the food sold to passengers?

The Honourable Sir Andrew Clow: (a) and (b) I have not the information required and understand that no register of such visits is maintained. But I understand that food stuffs are regularly inspected by the Divisional and Medical officials, who do not send prior warning of inspections. In conformity with the Central Advisory Council for Railways' recommendations, Railways have been instructed to place the reports by Medical Officers and Catering Inspectors from time to time before their Local Advisory Committees

MISUSE OF RAILWAY PASSES OVER EAST INDIAN RAILWAY BY BALLABHDAS ESWARDAS

186. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways please refer to the *Musafii*, dated the 24th November, 1940, 12th January, 1941, and 16th February, 1941, under the caption, "Railway Catering" and "Railway Refreshments" on the misuse of railway passes over the East Indian Railway and state

- (a) if it is a fact that railway passes have been misused by Ballabhdas Eswardas,
- (b) if the East Indian Railway checking staff have ever made complaints either to their Divisional Superintendents or to the General Manager against specific misuse of railway passes by these contractors,
- (c) if these contractors and their staff are allowed to use these passes only on business connected with the supervision of catering, or they are allowed the use of these passes from any station to any station on their private business also,
- (d) if the card passes issued to these contractors and their staff are transferable, and
- (e) if these passes are allowed only for *bona fide* use, what action the East Indian Railway authorities took in cases where misuse was reported?

The Honourable Sir Andrew Clow: I have called for the information and a reply will be laid on the table of the House in due course

CARD PASSES TO CONTRACTORS ON CERTAIN STATE RAILWAYS

187. Mr. Muhammad Azhar Ali: Is the Honourable Member for Railways prepared to advise the Great Indian Peninsula, East Indian and North Western Railways to discontinue the issue of card passes to railway contractors and introduce a system of seasonal passes which may have to be endorsed by the railway staff at starting and detraining stations? If not, why not?

The Honourable Sir Andrew Clow: No it is considered that the issue of card passes is a reasonable facility

DIFFERENT CLASS PASSES TO REFRESHMENT ROOM CONTRACTORS ON NORTH WESTERN AND EAST INDIAN RAILWAYS

188. Mr. Muhammad Azhar Ali: Will the Honourable Member for Railways be pleased to state

- (a) if it is a fact that the railway refreshment room contractors over the North Western Railway have been granted second class railway passes for supervising the service of meals,
- (b) if it is a fact that first class card passes have been allowed over the East Indian Railway to such contractors,
- (c) if it is a fact that intermediate class railway passes have been given by the North Western Railway to inspectors of such contractors to facilitate supervision;

- (d) if it is a fact that second class card passes have been granted by the East Indian Railway to such inspectors, and
- (e) in view of the fact that both these Railways are State-managed, what the reasons for this difference in the classes of passes to these contractors and their staff are and whether Government now propose to advise the East Indian Railway to revise their policy in accordance with the practice on the North Western Railway, if not, why not?

The Honourable Sir Andrew Clow: (a), (b), (c) and (d) I understand that the statements are correct in so far as they relate to the issue of passes to Indian contractors running both refreshment rooms and dining or restaurant cars

(e) The difference would appear to be connected with differences in the scale of the contracts. It is not proposed to issue instructions to the East Indian Railway, as these are matters of detail which must be left to the discretion of the individual administrations, but a copy of this question and answer will be sent to the General Manager of that railway

SELECTION POSTS OR SELECTION GRADES ON STATE RAILWAYS

189. Bhai Parma Nand: Will the Honourable Member for Railways please refer to the information given on the 5th November, 1940, in reply to unstarred question No. 11, asked in this House on the 6th February, 1940, *viz.*, "Selection posts or selection grades on the State-managed Railways" and state

- (a) whether the posts or grades are interchangeable, and
- (b) whether the staff in one post or grade is transferable to another post or grade?

The Honourable Sir Andrew Clow: (a) and (b) General Managers have powers to make such transfers when the interests of the Administration will be served thereby

INSTRUCTION TO EAST INDIAN AND NORTH WESTERN RAILWAYS TO OBTAIN SUPPLY OF ELECTRODES FROM THE INDIAN FIRM

190. Bhai Parma Nand: Will the Honourable Member for Railways please state

- (a) whether it is a fact that the North Western Railway, Mechanical Workshops, Moghalpura, in June 1938, did receive Electrodes from Messrs L and H Dignum (Calcutta) 5, Clive Row, Calcutta, for trial and test reports,
- (b) whether it is a fact that till September 1940, the trial and test was not completed by the Superintendent, Mechanical Workshop,
- (c) if the replies to parts (a) and (b) be in the affirmative, the reason for the delay in carrying out the trial and test of the Electrodes, and what period of time is necessary for the trial and test;
- (d) whether it is a fact that the Chief Mechanical Engineer, East Indian Railway, Calcutta did receive the Electrodes on the

28th October, 1940, for trial and test, the result of which was communicated on the 29th October, 1940, and

- (e) whether Government now propose to instruct the East Indian and the North Western Railways to have their supply in Electrodes from the firm in India, if not, why not?

The Honourable Sir Andrew Clow: The information is being obtained and will be laid on the table of the House in due course

PROCEDURE FOR HOSPITAL LEAVE ON STATE RAILWAYS

191. Bhai Parma Nand: Will the Honourable Member for Railways please state the procedure prescribed for obtaining and granting the Hospital Leave [Fundamental Rule 101 (b) and Subsidiary Rules 269 to 278] on the East Indian, Eastern Bengal, Great Indian Peninsula and the North Western Railways?

The Honourable Sir Andrew Clow: The grant of hospital leave under subsidiary rules 269 to 278 is dependent on the production of a medical certificate. The rules governing the issue of certificates will be found in Appendix VI, Vol. I of State Railway Establishment Code, a copy of which is in the Library of the House

DATES FOR APPLICATION OF RULES IN THE STATE RAILWAY CODES

192. Bhai Parma Nand: Will the Honourable Member for Railways please state the dates from which the rules in the State Railway Codes are applicable?

The Honourable Sir Andrew Clow: The bulk of the rules and orders contained in the new State Railway Codes existed, in some form or other, prior to their inclusion in these Codes, and have been in force since they were originally issued. Some orders relating particularly to procedure were new, and in regard to them the following dates of effect have been prescribed

1st April, 1940, for the State Railway Code for the Stores Department

1st April, 1940, for the State Railway Code for the Engineering Department

1st April, 1941 for the State Railway Code for the Traffic Department

1st April, 1942, for the State Railway Code for the Mechanical Department (Workshops)

NON-GAZETTED SERVANTS ELIGIBLE FOR PROMOTION TO LOWER GAZETTED SERVICES ON EAST INDIAN RAILWAY

193. Bhai Parma Nand: Will the Honourable Member for Railways please refer to the reply given to part (b) of unstarred question No. 70, asked in this House on the 18th November, 1940, *vis.*, "Yes, among

others" and state the particulars of "others" eligible for vacancies in the lower gazetted services on the East Indian Railway?

The Honourable Sir Andrew Clow: Subordinates considered suitable by the Administration may be drawn from any class, but would not ordinarily be chosen unless they had reached the highest non-gazetted grade in their own channel of promotion

PROCEDURE FOR DEPARTMENTAL ENQUIRY AGAINST NON-GAZETTED STAFF ON STATE RAILWAYS

194. Bhai Parma Nand: Will the Honourable Member for Railways please state the particulars of the rule prescribing the procedure for holding and conducting the proceedings of a departmental enquiry on the conduct of a non-Gazetted Staff by an officer or by a committee of officers on the Eastern Bengal, the East Indian, the Great Indian Peninsula and the North Western Railways?

The Honourable Sir Andrew Clow: The general rules applicable will be found in paragraph 1707 of the State Railway Establishment Code, Vol I. These are subsidiary rules issued by railway administrations but I understand that these introduce no substantial variation

POLICY OF NOT RECOGNIZING SMALL RAILWAY UNIONS

195. Bhai Parma Nand: Will the Honourable Member for Railways please refer to the reply given to unstarred question No 117, asked in this House on the 20th November, 1940, viz "It is not the policy of the administration or of Government to recognise small unions whose memberships is restricted to certain catagories of staff", and state

- (a) the date on which the policy was adopted by the administration or by Government, and
- (b) whether the policy is embodied in the rules made by Government for the recognition of trade Unions by the Railway administrations in 1937, if not, the reasons for not discussing the policy in a meeting of the Central Advisory Council for Railways before it was adopted?

The Honourable Sir Andrew Clow: (a) Neither Government nor the Administration has ever adopted the policy of recognizing small sectional unions

(b) In consequence it was not embodied in the rules on any occasion and Government have not felt the need for securing the advice of the Central Advisory Council for Railways on the point

PUBLICATION OF CERTAIN LEGISLATIVE BILLS IN RAILWAY GAZETTES

196. Bhai Parma Nand: Will the Honourable Member for Railways please refer to the reply given to part (ii) of unstarred question No 180, asked in this House on the 20th November, 1940, viz "Besides the various media open to the public such as newspapers are also available to the Railway Staff" and state the particulars of the newspapers in which

the Legislative Assembly Bills No 28 and No 47 of 1940 are reproduced? If they are not reproduced, do Government now propose to order their reproduction in the Railway Gazettes? If not, why not?

The Honourable Sir Andrew Clow: As regards the first part of the question Government have no information. As regards the second and third parts Government see no ground for giving publicity to such measures prior to the House approving their circulation.

STATEMENT OF BUSINESS

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House) As the House is aware, the only other day fixed during this week for the transaction of official business is Friday. No sitting has been fixed for Wednesday on account of a local holiday which is described as "Budho Mata". It looks as if official business will not be concluded on Friday, if the House sits to transact it only today and on Friday, and, therefore, it will be necessary to ask for further sittings for the transaction of official business. For the present I shall confine myself to requesting you to fix either Wednesday or Saturday in this week for the transaction of official business whichever you may find it more convenient or, if you so please, whichever the House may find it more convenient to do.

Mr. President (The Honourable Sir Abdur Rahim) At present there is no sitting on Wednesday.

The Honourable Sir Muhammad Zafrullah Khan: Wednesday is a non-working day, but I understand that not much interest is taken in that holiday.

Mr. President (The Honourable Sir Abdur Rahim) If that suits Honorable Members, the Chair will order that there may be a sitting on next Wednesday and not on Saturday.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions Muhammadan Rural) The present arrangements should continue.

Syed Ghulam Bhik Nairang (East Punjab Muhammadan) We suggest that Saturday may be fixed for official business instead of on Wednesday.

Mr. T Chapman-Mortimer (Bengal European) I think, Sir, that Saturday would be convenient to our Group also rather than Wednesday.

Mr. President (The Honourable Sir Abdur Rahim) Very well. In that case there will be no meeting on Wednesday but a meeting on Saturday.

THE PROTECTIVE DUTIES CONTINUATION BILL

Mr. President (The Honourable Sir Abdur Rahim) The House will now resume the discussion on the motion moved by the Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar on the 22nd March last, viz.—

"That the Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect, be taken into consideration."

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions Muhammadan Rural) Sir, I beg to move

"That the Bill be referred to a Select Committee consisting of the Honourable Sir Muhammad Zairullah Khan, the Honourable Dwan Bahadur Sir A. Ramaswami Mudaliar, Mr T. S. S. Pillay, Mr Ramsay Scott, Seth Haji Si Abdoolah Haroon, Sir Muhammad Yassin Khan, Dr P. N. Banerjee, Mr Husenbhoy Abdullaibhai Lal ee and the Mover with instructions to report by the 1st April, 1941 and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had better go on with his speech, as there is no other similar motion, the Chair has not received notice of any other dilatory motion

Dr. Sir Ziauddin Ahmad: I will speak later on, Sir, on the main motion and amendment together, I should like to take the opportunity to speak on the debate later on

Mr. President (The Honourable Sir Abdur Rahim) As there is no other motion, the Honourable Member can go on with his speech, if he wishes to speak

Dr. Sir Ziauddin Ahmad: Can I speak later on?

Mr. President (The Honourable Sir Abdur Rahim) No

Dr. Sir Ziauddin Ahmad: Sir, when such an amendment is moved, then

Mr. President (The Honourable Sir Abdur Rahim) The practice is quite well settled, if there is only one amendment like that, the Mover of the amendment ought to make his speech in support of his amendment, and, of course, he will speak on the original motion also

Dr. Sir Ziauddin Ahmad: Sir, it is rather unfair to the Opposition to bring forward an omnibus Bill at the tail end of the Session and press it for a division without even a reference to a Select Committee and without giving the public any opportunity to express an opinion. The Mover said nothing in support of the Bill and he did not give any hint whatsoever as to the way in which this protection is working. We are now to discuss not one Bill really,—not only sugar, but sugar, iron and steel and silver thread. So these are the three very important items which are tagged together in one particular Bill, and for this reason I call it an omnibus Bill, and it is incorporated in such a manner that it can only be deciphered if we put the Indian Tariff Act before us, and probably people making only a cursory reading will not be able to understand or appreciate the points involved in this Bill. This Bill, Sir, ought to have been published about a month ago and the public ought to have been informed of the contemplated measure. We expected that the Honourable the Commerce Member would outline the purposes of this Bill and then would explain to us in what way the protection has been working in the case of sugar and the iron and steel industry and give us an opportunity to examine the whole case. Sir, about iron and steel, since we passed the Bill in 1934 there

[Dr Sir Ziauddin Ahmad.]

has been no discussion in the House about the manner in which it has been working. In 1934, I drew attention to the fact that the duty would be for an indefinite period. I suggested in one of the speeches on the third reading of the Bill and in support of that I would just quote the Fiscal Commission's Report, which has now practically been carried out by the Honourable the Commerce Member. I would just draw his attention to page 68 of the Fiscal Commission's Report in which they said.

"We think that the only method by which the State can satisfactorily maintain its control over protected industries is that the Tariff Board should be charged with the duty of watching the effect of the protective duties imposed and making from time to time such recommendations as it may think fit."

Now, this was a duty imposed on the Government of India when we accepted the Tariff Bill of 1934. They neglected their duty for seven years, and suddenly, after the lapse of seven years, without giving any indication, without laying before us any report as to the manner in which this duty has been working, they come forward and say that this duty ought to be extended for one year more, and it is very reasonable to expect that something tangible ought to have been given about the present situation which necessitated the extension of the period of protection but the Honourable Member refused not only the consideration by the Tariff Board, not only the consideration by a Select Committee of the House, but he goes further and does not mention on the floor of the House his own arguments and his own reasoning on account of which he is compelled to move this particular Bill. Sir, I remind the Commerce Member of what was said on page 67 of Fiscal Commission Report

"No one who has studied the history of a protectionist country can be blind to the fact that it is far easier to impose a protective duty than to reduce or abolish it. As the industry grows economically, its political influence also grows and it is in a position to exert considerable pressure on the body that has the power to modify the duty. It may be accepted as a general experience that protective duties are continued for too long a period and at unnecessarily high rates."

Now, these words were written about twenty years ago and they appear to be prophetic, it has actually been carried out by the Government of India, the Fiscal Commission prophesied about it about 20 years ago, and I said very clearly in 1934, when we levied a duty on iron and steel "for goodness sake, do take it for granted that this protective duty is permanent." No Commerce Member will dare to oppose and remove this particular duty, and I think my Honourable friend, who was then on the Opposition side, shared the same opinion with us, in 1934. I draw his attention to one more in the Fiscal Commission's Report. On page 55 they said

"But we cannot shut our eyes to the fact that in protectionist countries considerable difficulty is experienced in reducing and removing duties even when they are no longer required and it is probable that such an industry will impose on the whole a greater burden on the consumer than its conditions really require."

We were warned about these things 20 years ago, and I think the time has come to consider very carefully whether these duties are required today when the conditions of the world have so much changed. My complaint is that, according to the conditions laid down by the Fiscal Commission, any kind of change in the duty can only be done on the advice of the Tariff Board. Now, in this particular case, there has been no Tariff Board. If, however, my Honourable friend had thought that on account of war conditions it was not advisable to have a Tariff Board, he

ought to have appointed a Departmental Committee of Inquiry, and, by means of that Committee, he could have found out the facts of the case. But my Honourable friend has not done even that. Even if he has inquired into the matter departmentally, that report has not been laid before us and that is very unfair. If he did not have a Departmental Committee of Inquiry, at least he ought to have been convinced in his own mind that it was necessary. If he has failed in appointing a Tariff Board, if he has failed in giving us the arguments which actuated him to move this Bill, at least he should give us an opportunity to discuss this matter with him in the Select Committee. Even to this, he says "No". If he tries to gag us and if he wants us to support him blind-folded without giving any reasons whatsoever, then the only reply I can give him is that he is suffering from what I once called the fourth intoxication. Some time ago I explained the different types of intoxication. When a man is suffering from the intoxication of wine, he talks a good deal. If he is suffering from the intoxication of opium, he sleeps. If he is suffering from the intoxication of ganja, he flies in the air. But if he is suffering from the intoxication of having majority of votes in his pocket, he becomes dumb to every argument that is brought forward from the Opposition side. He is not open to reason, because his mind is already made up.

Dr. P. N. Banerjea (Calcutta Suburbs Non-Moshammadan Urban) How do you know these different kinds of intoxication?

Sir H. P. Mody (Bombay Millowners' Association Indian Commerce) Because he is suffering from all the intoxications

Dr. Sir Ziauddin Ahmad: My next complaint is that he has put two very important matters in one and the same Bill. You cannot combine iron and steel and sugar in one and the same Bill, simply because the word "protective" is there. Both of them are protective duties. That is the only common thing. In fact, he could have one Bill to alter the whole of his tariff list simply by saying that all of them occur in one particular Act. There ought to be some kind of correlation between these two objects. There is no connection between iron and steel and sugar. He ought to have brought before us two Bills, so that we could have discussed both these subjects separately. It is not fair on his part to ask us to discuss both these things simultaneously. Then, there is another difficulty which we feel because of the combination of these two matters. We hold different views with regard to sugar and iron and steel. In one case we have got one opinion, and, in the other case, we have got another opinion. Because of this combination, we can either reject the whole thing or accept the whole thing. The two cannot be separated. It is just like putting the cat round the neck of the camel, which my friends must have known. The story is that a man lost his camel. Then, he took the vow that if the camel be discovered, he will sell it for one rupee. When the camel was found, he put a cat round his neck and said that the price of the cat is Rs 100 and that of the camel is one rupee, but he cannot separate the one from the other. This is what he has done in this case also. He has put sugar and iron and steel together, and I see no affinity between the two. He could have added another item to it about wheat and wheat

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flour I really wonder why he has not done that But if he could separate the wheat and the wheat flour from this Bill, why did he not separate the iron and steel from the sugar? Perhaps his intention was that we may not be able to discuss these two different things properly If there had been two different Bills, then our criticism would have been split up into two parts and we would have had better opportunities to give our views I know my friend is in a great hurry and he will probably move a closure very soon

Now, Sir, out of these two items I take sugar first If time permitted, I shall take up iron and steel afterwards With regard to sugar, I do not want to go into its early history Like the philosopher, I would not begin the history of philosophy by discussing whether Adam was or was not a philosopher I will start from the time when the protection duty was first levied on sugar We know that in the year 1929-30 we had a duty of Rs 4-8-0 on sugar for revenue purposes and it yielded an income of about 12 crores But in 1930 the duty was raised by Rs 1-8-0 and it became Rs 6 just before the Tariff Board was appointed Then came the Tariff Board which recommended a duty of Rs 7-4-0 per cwt, that is Rs 5-5-0 per maund The first mistake that the Government of India made, I think this is the beginning of the troubles was to raise the duty by 25 per cent The duty was calculated after careful consideration of various aspects of the problem by the Tariff Board This protective duty was raised from Rs 7-4-0 to Rs 9-1-0 by the second Finance Bill When the second Finance Bill was under discussion in 1931, I pointed out that you could not apply the principle of 25 per cent increase to protective and non-protective duties There are certain duties which are for revenue purposes and which may be increased by 25 per cent but the law of diminishing returns may be applicable to one or two, but still it is justifiable to do so, but in the case of combining it to protective duties, it was very unfair and it may lead to serious troubles What was the result? The result was that a large number of factories sprung up, they began to build factories right and left, and the number increased indefinitely Now, with this indefinite increase in number and the enormous profits they were making at that time, the position became very complicated We pointed out in 1933-34 on the floor of the House that this protective duty on sugar was not working satisfactorily, and we drew the attention of the then Government that this ought to be looked into very carefully We said that these sugar manufacturers were drawing profits from 60 per cent to cent per cent of the money they have invested, and within the space of one or two years They have drawn back the entire capital Then we drew the attention of the Government to this It was their duty, as recommended by the Fiscal Commission, to look into this matter The sugar manufacturers were responsible for three *zulums* I use the word 'zulums' advisedly They did not pay the sugarcane growers the price recommended by the Tariff Board, they did not pay them five to eight annas as mentioned there, but they paid only from two annas to three annas which was not justifiable This was the first *zulum* or abuse The second *zulum* was that the maund was not eight times *pansera*, sometimes it was sixteen times *pansera* and sometimes it was twelve times *pansera* Practically the manufacturers took away 1½ maunds or even two maunds, and they called it one maund The third *zulum* was that the sugarcane was allowed

to wait at the gate for a long time, with the result that the juice became dried up. The sugarcane growers sold them practically at no price, in fact they could not even cover the carriage. We brought to the notice of the Government all these three defects. We pointed out on the floor of the House that the manufacturers were making enormous profits, the Government found that their revenue from sugar was diminishing very rapidly. I shall give the figures later on in my speech. The Government were compelled to bring forward in 1934 an excise duty. I have read the book of Lord Northcliffe how to conduct a propaganda. I think the sugar manufacturers are greater experts in propaganda than even Lord Northcliffe, because, while Lord Northcliffe said that you can carry on propaganda on something, the sugar manufacturers carried on propaganda on nothing. They beat the theory of Lord Northcliffe about propaganda. In 1934, when the Government brought forward a Bill, there was a great hue and cry and there was a fierce propaganda carried on against the excise duty. A number of dinners were given and Members' lives were not worth living in those days on account of the interviews sought by the sugar manufacturers both morning, evening and night to place the troubles and difficulties of sugar manufacturers. They said that the industry was going down on account of the excise duty which was imposed. Not only this. These gentlemen also tried to kill the poor people. The Government did not try to impose any duty on khandsari sugar. I have got two Bills before me, they are the Bills originally moved by the Government of India at that time when there was no excise duty. Then the Bill went to the Select Committee, and, through the propaganda of those people, khandsari sugar was added and a duty of ten annas was recommended by the Select Committee on khandsari sugar, while they knew perfectly well that the produce of khandsari was only from 60 to 65 compared with 90 to 95 in the case of mills. In spite of such loss in the extraction of the juice, the Government did not have the courage at that time to meet the propaganda of sugar manufacturers and they had levied at that time a duty of ten annas on khandsari sugar. When this Bill was under discussion, I gave certain quotations from the Tariff Board report.

"It is, of course, impossible to estimate on the available data the assurance required on this account but, allowing for the factors referred to above, a reasonable estimate of the price at factory required to cover the expenses of the cultivator including the labour of himself and his family is seven annas a maund."

This is the price which they fixed for sugarcane. Later on the Tariff Board say—

"Allowing for the fact that cane occupies a definite and important place in the agricultural system of the country and also that it is, on the whole, less liable to damage than other crops, it appears to us that in normal times to ensure that the cultivator retains a sufficient area under cane, a profit of at least one anna per maund is required. A fair price for cane would thus be about eight annas per maund delivered at factory."

This was the recommendation of the Tariff Board, but it was not carried out. Not only did they interfere in the price of cane, but they also reduced the fair selling price and tampered with it. They discovered the formula $\frac{S \times P}{200}$ and applied this formula for determining fair selling price. Fair selling price was taken by the Tariff Board after careful calculation, but the manufacturers carried their own formula which I have just read out. There can be no proof for the establishment of this formula. Therefore, the determination of the selling price by means of an arbitrary formula which cannot be proved, which cannot be substantiated, in place of the

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fair selling price calculated by the Tariff Board was really a great mistake. Our income practically fell continuously on account of this imposition of the duty, and I will give some figures here As I said in 1937

"This protection is really a burden upon the taxpayer. In the year 1930-31 Government collected 10.78 crores on the sugar import duty. As soon as this protective duty was imposed the amount fell to 8 crores in 1931-32, then 6.64 crores in 1932-33, 4.72 crores in 1933-34 and 3.81 crores in 1934-35 and in the present year it has fallen to 5.4 lakhs. Therefore, including the excise and the import, we got 4.70 in the year 1934-35, 4.82 in the year 1935-36, and in the present year, taking the figure for the last 11 months and adding one eleventh to it, we get 3 crores."

Sir, the capitalists have been shouting at the top of their voices that they have invested so much money. But they entirely forget the contributions by the Finance Member and the contributions by the consumers. I have got the accurate figures of the contribution made by the Finance Member to this particular industry which comes to about 50 crores. And as regards contributions made by the consumers that also will come to about 200 crores. This amount should not be forgotten, and I always consider this amount to be a loan which we ought to get back some time or other. I hope when we will have persons in the Government, later on, who will represent the consumers more than the capitalists, the time will then come when the consumers' view point will also be taken into consideration. My Honourable friend there represents consumers as Labour Member and he represents capitalists as Commerce Member, and so he is really between two pulls. On the one side is the capitalist pull and on the other side is the labour pull, and I think the pull of the capitalists always prevails. I read on one occasion a very voluminous book in which it was said that these capitalists of Bombay have got two Members in their pockets,—in the right pocket the Finance Member, and in the left pocket the Commerce Member, and I think a person requires sufficient courage and skill to cut off the pocket.

An Honourable Member: And who is the pickpocket?

Dr. Sir Ziauddin Ahmad: I will give the exact amount of the contribution that the Finance Member has made to this particular industry. I take 10.79 to be a kind of standard collection by this commodity as it was in 1930-31

Year.	Collection from import duty	Collection from excise duty	Total Income	Contribution by Finance Department
1931-32				2.81
1932-33	6.85			3.54
1933-34	4.72			6.07
1934-35	3.81	97 lakhs	4.78	6.01
1935-36	2.95	1.55	4.50	6.29
1936-37	44 lakhs	2.52	2.96	7.83
1937-38	25 lakhs	3.31	3.56	7.23
1938-39	45 lakhs	4.23	4.68	6.11
1939-40	3.96	2.42	6.38	4.41

Therefore, if this sugar protective duty had not come into operation in 1931 and we had allowed the thing to go on as it had been going on in the previous 10 years, we would have collected about 50.10 crores more

from this particular industry, and this sum would have been distributed to all the taxpayers in the country, because there have been less taxes in some other directions. If 50 crores would have been collected from sugar, it practically follows that there are less taxes elsewhere, and, therefore, the taxpayers of India through the Finance Department have contributed 50 crores of rupees during this period. If I get the time, I will give the contribution, year after year, of the consumers to this particular industry. So that whenever any industrialist in sugar gets up and says that he has invested 15 crores and what is going to happen to that, he must be reminded that the taxpayers also have contributed 50 crores and the consumers have contributed 200 crores. That is a point which should not be forgotten.

Now we come to this duty on the Java sugar. Here we have been increasing the duty, and our income has been gradually diminishing. Our protective duty in 1930 was Rs. 4-6-6 per maund, on the 1st March, 1931, it was raised to Rs. 5-5-8, on 1st September, 1931, to Rs. 6-10-6, on the 1st March, 1937 to Rs. 6-12-9, on the 1st April, 1939, it was Rs. 6-6-10 and on the 1st March, 1940, it was Rs. 7-2-7. And my friend now comes forward and proposes that this enormous import duty of Rs. 7-2-7 per maund should be continued for another year. It is not right for any one with common sense and who has got any feelings for the poor consumers to come forward and say that a duty of Rs. 7-2-7 should be continued for another year. Its continuation even for a day is not justifiable. And he also wants us to legislate today that this duty of Rs. 7-2-7 per maund should be continued for another year and accepted without argument, without any inquiry, and without any Tariff Board report. I know my Honourable friend, the Commerce Member, has a responsibility to discharge, but we have also got some responsibility to discharge. And to say that we should not even have an opportunity to discuss this point is very unfair.

Now, I will show the other side of the picture. When we were discussing this particular Bill the last time, some of the Congress Members were present here. When they went back to their provinces they took retaliation and the retaliation went so far that they practically destroyed the industry. Up to 1937 I had serious complaints against the manufacturers, but the action now taken by the United Provinces and Bihar Governments has really turned the tables. May I remind the Government of India that they are the custodians of this Protection Bill, and they have to see that it is carried out properly? I have here a legislative measure called the United Provinces Sugar Factories Control Act, 1938. That entirely changed the whole character of the industry. It went against all recommendations of the Fiscal Commission and it worked in a manner that was never contemplated. Of course, I do not blame these Ministers of Bihar and United Provinces, when they found that our Government were timid and were taking no action to safeguard the interests of the cultivators and allowed the manufacturers to derive as much profit as possible and to squeeze out even the last pie from the agriculturist, they naturally came forward to protect the interests of the agriculturists: but, in doing so, they went to the other extreme. When they passed this measure, I think it was the duty of the Government of India to bring it to the notice of this Legislature and to tell us what steps they proposed to take: they should have given us an opportunity to discuss this question in 1938. It was absolutely wrong not to do so, but even now the Honourable Member does not want us to discuss this question. I will read one or

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two of the important provisions of this Bill. In the first place, they established a Sugar Control Board. May I say that when an industry is protected, how is it possible to establish a control board? The second thing they have done is to have licensing of factories. It was pointed out repeatedly on the floor of the House, both by Finance Members and also mentioned in the Fiscal Commission's Report, that when protection was given, a number of factories would crop up, and there will be cut-throat competition, and by that cut-throat competition the prices will come down, and in that way the loan which the consumers paid in the shape of high prices will also go down. But this idea of licensing is erroneous. The Government of India ought to have brought it to our notice and laid the facts before this House and allowed us to discuss. Of course, we cannot interfere with an enactment of a Provincial Government—that is perfectly correct—but we have a right to see whether the protection of Rs 7-2-7 should be continued, and we could have given the reply that the Sugar Protection Act will be repealed. But this thing was not brought to our notice at all. The Commerce Department was sleeping—they did not take notice of this provincial enactment and did not inform this House as to how the thing was being worked there. I shall show how the protection that we gave has been made null and void by means of this enactment.

I have pointed out the first and second interferences by the Act. The third interference is in section 10 which says—

"After such date as the Governor may by notification specify in this behalf no cane shall be crushed in a factory unless the occupier thereof has obtained a licence authorizing him to crush cane."

This is absolutely against the spirit of protection. They go one step further and say in the next section—

"Membership of any organization of the sugar industry the main object of which is to regulate the sale of sugar and which is recognized by the Provincial Government."

This is the enactment, and, under this enactment, they made a rule—rule 9(a) of these rules, which says—

"The licensee shall be a member of the Indian Sugar Syndicate, Limited, registered under the Indian Companies Act, which has been recognized by the Provincial Government under section 11 (a) of the United Provinces Sugar Factories Control Act, 1938."

A sugar syndicate was formed and our Local Government came forward and made membership compulsory for everybody. I will just say in this connection what the Fiscal Commission recommended. In cases where protection was given, they warned us against combinations. This is what they say at page 48:

"But should any such combinations arise in India which appear to be to the detriment of the Indian consumer, we do not think it would be difficult to find a remedy. The matter should be investigated by the Tariff Board which we propose should be established, and if the Board reports that the combination is in effect injurious to the interests of the Indian consumer, and the Legislature accepts this view, the protection given to the industry could be lowered or withdrawn, or possibly special legislation could be introduced to deal with the matter."

In 1938, a syndicate was formed and the Local Government made it compulsory for everybody to become a member, against the explicit instructions of the Fiscal Commission. What was our Government doing at that time? Why did they sleep over it? Why did they allow the Local Government to form a syndicate to exploit the consumers? Why have they not carried out these instructions that when protection is given, you

should not go to sleep over the matter. That is the charge that I bring against the Government. When you give protection, you have constantly to watch the effect of the protection. But you do not do it. You simply carry out the first part and not the other part.

If you carry out one instruction, carry out all the necessary conditions properly. In this case, you are guilty of neglect of the duties imposed on you by the Tariff Board and imposed upon you at the time when this Indian Sugar Industry (Protection) Bill was enacted.

Between the Local Government on the one side and the Sugar Syndicate on the other side—and I contend that the actions of both of them are *ultra vires*—and on account of the neglect of their duties by the Government of India, they are now practically killing and finishing off the sugar industry in United Provinces and Bihar. What is happening now? The Sugar Syndicate fixes the prices not according to the Tariff Board Report they only care about the Tariff Board Report in demanding a protective duty, Rs 7-2-7 is there that is their pound of flesh and nothing less. They don't follow in fair selling price, nor in the price of sugarcane. Between the Local Government standing for the agriculturist, and the Syndicate acting as a combine to protect the interests of the sugar industrialist, they have finished the industry altogether. The Syndicate says "Raise the price—not to Rs 7-6-0 as recommended by the Tariff Board, but to Rs 9." All right. The Local Government comes in and says "If the price of sugar is Rs 9, then—I am merely quoting imaginary figures—the price of sugarcane should be ten annas a maund." The moment this sugarcane price is raised to ten annas, the syndicate comes up and says "Now that the price of sugarcane has been fixed at ten annas, the price of sugar should be raised to Rs 11 a maund." Then the Local Government says "Since the price of sugar is Rs 11 a maund, the sugarcane price should be raised to 11 annas and a half per maund." Thus there is a regular competition between the Syndicate on the one side representing the industrialists, and the sugarcane growers represented by the Local Government on the other; and they go on raising the prices of sugar and sugarcane in competition till they have reached a figure when it is almost impossible to find a market. When the prices had gone up to Rs 18 and Rs 14 per maund for sugar and the commodity was highly protected on account of the import duty, then ordinary people gave up the eating of sugar, and they began to eat *gur*. The result was, there resulted a surplus stock of sugar, for which there was no market. And to add insult to injury to the sugar producers, our government entered into some kind of agreement, and there was another convention, the International Sugar Convention known as Chedbouline's Convention, by means of which we agreed that there should be no export of sugar from India. The logical argument they used was correct. They said "You are a protected country, you are putting an import duty of Rs 7-2-7, how can you export sugar when the duty is at such a high tariff point?" Therefore, with this seemingly logical argument, Dr Meek made a second mistake and he signed an agreement on behalf of the Government of India without consulting anybody, he was simply led away by the logic of the argument and stopped the country from exporting sugar altogether. But the Government of India are responsible for their inertia, for remaining silent, and for doing nothing for the people of the country in this matter. We have got so much sugar in stock, it has no market. We cannot export even one maund of sugar out of

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India, we cannot export sugar even to our next door neighbour, Ceylon. Who is responsible for all this? The Government of India is sleeping over this matter when the industrialists were actually oppressing the sugar growers. When the Local Government came forward and upset the recommendations of the Fiscal Commission's Report, the Government of India never drew our attention to it, they took no action whatever. The Syndicate is there, whose main purpose is to kill smaller factories. The Sugar Control Board is there for not allowing us to export sugar. The Convention is still there. Still my friend comes forward and says—continue the protection for another year. Is it common sense or lack of common sense, is it sympathy or absence of it for suggesting such measure? I leave Honourable Members to judge for themselves, because, in spite of all these factors, the Honourable Member does not give us an opportunity to discuss either of these factors, he does not think for himself, he does not make an inquiry departmentally, he does not even allow us to discuss the matter, but forces us, by the sheer strength of his vote, to continue the protection for another year. Sir, I say, this is an economic sin.

Now, Sir, I will give you an account of surplus stocks. The surplus of over 4.5 lakhs tons has been carried over from last year. This year also the Government estimated a production of 7.2 lakhs of tons from United Provinces and Bihar, 2.5 lakhs of tons from the factories of other provinces, 3 lakhs tons production of *gur* and 1.5 lakhs tons of *khandsari* sugar. However, the actual production has been about 18.8 lakhs tons in all, that is, as much as 2.3 lakhs more than estimated, because on account of the introduction of the improved quality of canes, their output being about 12 instead of being less than 10. On the other hand, it is well-known that millions of maunds of sugarcane crops is standing on the fields uncrushed. This year, therefore, we shall get more than 13.5 lakhs tons of sugar. The consumption of sugar in the country, however, being about 10 lakhs, a surplus of over 6 lakhs of tons will have to be carried forward to the next year. There will, therefore, be again further restrictions on production next year, and both the cultivators and the millowners will suffer considerably. In the language of sugar industrialists and also of the Syndicate, it is no exaggeration to say that the shortsighted policy of the Government interference has thus brought this second largest industry in the country to a very precarious position. Still, however, India is not able to export sugar even to a neighbouring market like Ceylon as she is still bound by the agreement of the International Sugar Convention.

Sir, I would implore the Honourable the Commerce Member that if he wants us to continue the protection for another year, let us put down a condition that the conditions laid down by the Tariff Board of 1931 and 1934 should be observed, and if those conditions are not observed, then it is useless to give any protection to either of these. If you observe these conditions, then certain things are necessary. One is that the Sugar Syndicate, which is responsible for the present disaster, should be declared *ultra vires*, we should treat it as if it did not exist at all, and then every sugar mill should be allowed to follow the price level according to its own requirements. We know that whenever the sugar Syndicate meets it only looks after the interests of the bigger sugar mill owners, and it entirely overlooks the interests of the smaller people, and one of th-

members of the Syndicate actually told me that these smaller people have got no right to exist. If thus is their theory that the smaller people have no right to exist, then God help them.

Then, the second thing is, you should point out to the Local Government definitely that they should work out the recommendations of the Tariff Board without interference, and that if they do mean to interfere according to the provisions of the Act of 1935, then we should be relieved from enforcing this protection to sugar industry. I take this occasion to tell them that the action of my Government,—I belong to the U.P.—and that of the Government of Bihar, have been exceedingly unwise. They thought that they were supporting the agriculturists, but in reality they have driven out or killed the only industry of the U.P. and the second largest industry of India. The springing up of numerous small factories in other provinces is the direct result of the action of these two Governments, I mean the U.P. Government and the Government of Bihar, because, I think, they have been very unwise in passing this particular Act which has really done no justice to the people of the U.P. and Bihar. In their opinion, they were right, but we can only judge by the results, and the results indicate clearly that the people do not like to start sugar factories in Moradabad but they would prefer to start sugar mills in Rampur and other parts of India where this particular handicap does not exist. This is all due to the unwise action of the Governments of U.P. and Bihar. My friend may say he has no jurisdiction over these two Governments. I too have no jurisdiction over them, but he has a right to move them, and I have a right to discuss and vote, and if the Local Governments begin to interfere in the manner they are interfering, then the Government of India should immediately repeal the Protection Act of 1931. Therefore, I finish this portion of my speech, that is, on sugar by appealing to the Honourable Member that he should seriously consider the position if he is really anxious that this industry should thrive and that he should see that the obligations laid down by the Fiscal Commission are faithfully observed. Local Governments should not interfere with them; they should not levy sales tax—they are levying sales duty; they can levy a sales duty on detail dealers, because, in that case, it will apply both to imported articles and to articles manufactured in this country, but they cannot have a sales tax on the wholesale prices of the factories which are really imposed by means of this particular Bill. Again, the Tariff Board recommended that after seven years protection will be lowered by one rupee. Seven years have passed away. May I ask why this protection has not been lowered by one rupee as recommended by the Tariff Board? The Tariff Board's recommendation is binding on everybody, on our Government as well. The Government should carry out the recommendation of the Tariff Board and lower the duty by one rupee, or they should at least give us reasons why it has not been done. My Honourable friend probably thinks we are incompetent to understand the arguments and so he wishes to carry on as he likes, but I think fairness demands that he should convince us as to why the duty could not be lowered by one rupee as recommended by the Tariff Board. He has placed us in a difficult position by tacking it on to iron and steel, and iron and steel is of great importance on account of the war conditions now.

I now come to iron and steel. Had it not been tacked on to sugar I could have discussed it in greater detail, but I shall just confine myself

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to one or two broad questions On the third reading of the Iron and Steel Protection Bill, I pointed out—I have not got the extract now, but I quote from memory—that we have given to iron and steel industry 18 crores more than the amount recommended by the Tariff Board I had calculated the amount and I ended by saying that at Tatanagar there would be a tablet in memory of Sir Joseph Bhore On a golden tablet there would be written

"This is in memory of a great benefactor, the Honourable Sir Joseph Bhore, who has been kind enough to present 18 crores of rupees to this Tata Iron and Steel Co "

Sir Muhammad Yamin Khan (Agra Division Muhammadan Rural) From where?

Dr. Sir Ziauddin Ahmad: From the pockets of the consumers And in another village just close by, which I would call Muradnagar, there would be a small tablet put up on a grave

"Here lie buried hopes of the consumers and small industrialists by the action taken by one of our own countrymen, Sir Joseph Bhore '

This was what I said when I spoke on the third reading of the Iron and Steel Protection Bill Seven years have passed away This 18 crores has now increased very much, because the fair selling prices which the Tariff Board recommended have increased by leaps and bounds And no action was taken by the Commerce Member at all in that direction At least he ought to have protected the interests of the consumers and the small industries No doubt, at present iron and steel is a kind of key industry for war purpose, and, therefore, it is very difficult for us to deal with all the details in connection with it

Sir Muhammad Yamin Khan: Why cannot we? We can

Dr. Sir Ziauddin Ahmad: Over 90 per cent of the production of iron and steel is really taken by the Government, and the quantity which goes to the smaller industries and other consumers is less than 10 per cent We have got enormous difficulties about the import of iron and steel from America or from any other country, in practice nothing comes in Practically speaking, there is no iron and steel coming to this country for consumption here What is the result of keeping up this high duty? The result is to raise the price level The moment you put a protective duty internal prices must go up

The Honourable Sir Jeremy Raisman (Finance Member) Will the Honourable Member explain that to his friend, Sir Syed Raza Ali, who did not seem to understand it the other day?

Dr. P. N. Banerjea: Sir Syed Raza Ali is not here

Dr. Sir Ziauddin Ahmad: A Member of Parliament, I think, once said "I can give argument, but I cannot give brains to everybody to understand it " I can advance my argument, and I am not responsible whether anybody understands it or not The moment you put a protective duty, the

inevitable result is that the price of that article will go up, because the price will be the price on the ship before landing plus the import duty. And internal prices will always rise in sympathy with the price of imported articles. I think that Dr. Banerjea realises this. We have to pay to this Tata Company from the Supply Department which is purchasing about 90 per cent of its production,—I have not calculated the figures, but so much more money is going into the pockets of the Tata company.

Sir Muhammad Yamin Khan: The Government are taxing us to pay to the Tatas.

***Dr. Sir Ziauddin Ahmad:** The Honourable the Commerce Member may say, for Government the Company have specially reduced the prices. No doubt, the Government have reduced them for themselves, but they take no notice of the public, who have to buy iron and steel for building purposes and the development of smaller industries. I know the Government have reduced the prices for themselves, I am positive about that. When they have done so, why have they not reduced the prices for the public as well? Why should the public be made to pay higher prices on account of this duty? The question of iron and steel is rather a difficult question, and probably my Honourable friend will know how these preference shares have gone up. What was the price in 1934, and what was the price immediately after Sir Joseph Bhore put 18 crores into the pockets of the Tatas?

An Honourable Member: The price of deferred shares has gone up enormously.

Dr. Sir Ziauddin Ahmad: I will quote them in the Third Reading. Yes, both deferred shares and preference shares. The prices rose long before war was declared, and they would not have jumped up so readily but for the 18 crores put into the pockets of the Tatas by the Iron and Steel Protection Bill.

Now, whenever I raise this question of iron and steel, I cannot forget the 18 crores of rupees which the consumers of this country have paid in excess. The Government may forget it, because the memory of Government is very short. We the consumers cannot forget this particular thing. We know that these prices have gone up and this ought to have been a sufficient thermometer to see that the protection is not acting in an unwise manner. Therefore, in this particular case, on account of the fact that iron and steel are protected articles, it is very difficult for us to express our opinion at this moment, because we do require iron and steel not only as much as they produce, but much more than they can possibly produce, and, therefore, we will have to support them, whether we like it or not, for this reason that it is an industry which is required for war purposes. I do, at the same time, beseech that the prices to the consumers should not be made to rise abnormally high as it has done at present in the case of iron. We know that as consumers we use iron in building our houses. We know what was the price of a girder about 18 months ago and what is the price of a girder now. The price of construction has gone up very high simply on account of the action or, I should say, inaction of the Government of India, and if they had taken timely action, then the prices would have remained stable. I emphasised about the stability of prices the other day, and the Honourable the Commerce Member is the only person who can

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look after the stability of prices. It does not refer only to the case of foodstuffs, but also iron and steel which are necessary for building purposes. We should appoint a special officer or a special committee to watch very carefully over the stability of prices of all the articles. I hope the Honourable Member will give us an opportunity to discuss the details in the Select Committee and not gag our mouth and ask us to say "Yes" or "No".

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That the Bill be referred to a Select Committee consisting of the Honourable Sir Muhammad Ziauddin Khan, the Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar, Mr. T. S. Pillay, Mr. Ramsay Scott, Seth Haji Abdoola Haroon, Sir Muhammad Yamin Khan, Dr. P. N. Banerjee, Mr. Husenbhoy Abdullaibhai Laljee and the Mover, with instructions to report by the 1st April, 1941, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Mr. J. Ramsay Scott (United Provinces European) Mr President the learned Doctor has just moved to refer the Protective Duties Continuation Bill to a Select Committee. This Bill contains only four items all of which are protected under the Tariff Board. I, therefore, oppose any re-opening of the question of protection at this stage. I, therefore, oppose this motion. The other day I rather gathered that as a member of the Supply Committee, Dr. Sir Ziauddin Ahmad was pleading that he ought to have military rank. I would, therefore, ask the House to have him promoted Field Marshall straightforward as he has for years led many campaigns and forlorn hopes. His tactics remind me of those of a famous Roman General of 2,000 years ago. I think his name was Fabius Maximus but it is a long time since I read my Livy. This General was renowned for his delaying tactics. So, for this reason, which I think is even a better one than his own, Dr. Ziauddin Ahmad should receive some recognition.

As I listened to the last speaker, I thought when he wrote his notes that God and the Doctor knew what he wrote but as he developed his arguments, God alone knows what he wrote.

My Honourable friend, the Commerce Member, has brought in this measure for one year only and as I said last year he ought to have suggested it for a longer period. This continual digging up the roots of the tree can do no good but it does give me and others an annual opportunity to discuss the sugar policy of Government. I was glad to learn last week that the Honourable the Commerce Member was going to set up an All-India Sugar Advisory Committee which was to be predominantly official but with which was to be associated a small representation of the sugar factories and cane growers. Now, Sir, I hold no mandate to put forward the views of the three large associations, the Indian Sugar Syndicate, the Indian Sugar Mills Association, the Indian Sugar Producers Association or even a mandate from my own province, but my own point of view and one with which I am sure no one can quarrel is that where the vital interests of an industry are concerned and where there are so many divergent and even antagonistic points of view, province being up against province, it is important that the mill industry in every province should be represented and I personally would even go as far as to suggest

to the Honourable the Commerce Member that he should first consult the industry as a whole by asking for representatives from each province. You will note that I do not say 'Indian States' as the States are financially interested and have the controlling powers they require.

Then, Sir, I would suggest your official body with or without sugar mill representatives should meet and then finally there should be a joint full dress discussion of officials and non-officials. I need not stress, Sir, that the Commerce Member has a very difficult task before him and will require the patience of Job and the wisdom of Solomon but I do want him to carry the industry with him. There can be no doubt in any man's mind who knows anything about the sugar industry that the Provincial Governments of Bihar and the United Provinces have in the past in order to win over cultivators to their political creed nearly ruined this industry by fixing cane prices too high.

Last year, I drew the attention of Government to the lack of adequate reliable statistics and I would say that I have not heard what Government have done or are doing and will do to improve matters. The lack of such information will handicap the deliberations of the Conference and I suggest that this might be one of the items of the agenda of this committee. I again criticise the use of the term raw sugar which is in fact *gur*. It does not show a proper picture of what this country could really produce if all the cane were turned into sugar.

When I was in Australia I examined their statistics and I found their publications gave a much better picture of the industry than ours in India do. I would like to see an exchange of research investigations with Australia and an exchange of students as I know many of our problems are identical. A problem which calls for urgent consideration is the increase of cane per acre and the increase of the sugar content in the cane and until we get this we cannot get really cheap sugar although sugar in India, in spite of what my friend, Dr Ziauddin, calls heavy protection, is still very cheap.

I will next deal with the export question. I would like to ask what you have done since the International Sugar Agreement which you signed, in spite of the adverse vote of this House, to encourage exports to the countries adjoining India and Burma. I would also like to see the export of sugar to Great Britain and I feel sure that a cess on sugar of about twelve annas per maund would enable us to export two hundred thousand tons. I may say I am fully aware of the shipping difficulties at present and although bad today they may even get worse but on the other hand we may at any time have an opportunity to export and I would like to see our Government ready and prepared to take advantage of any such situation. Sir, I oppose the motion for reference of the Bill to a Select Committee.

Mr. Husenbhai Abdullaibhai Laljee (Bombay Central Division: Muhammadan Rural) Sir, I may say that I was also rather surprised that the Honourable the Commerce Member had not given some detailed information as my Honourable friend, Dr Sir Ziauddin Ahmad, desired. Sir, we really desire that the Honourable the Commerce Member ought to give us sufficient particulars if no inquiry has been held. Invariably we have found that he has been giving us the information and some help to us which commerce and industry requires and, recently, in this respect, I acknowledge that the industrial and commercial circles do feel that the

[Mr Husenbhai Abdullabhai Laljee]

Commerce Member has been doing his best to help Indian commerce and industry, but again I say, Sir, with regard to this important Bill the particulars that are required or at least the information that is required are not furnished to us although these are necessary for this House to consider such an important Bill. Sir, with regard to the sugar industry, I for one do not understand how it was that the Government of this country could ever have agreed to entirely stopping the export of a material from this country. I have not come across any country which has become a party to entirely stopping the exports of its country. Whatever have been the international arrangements made in the way of a distributive quota as we have got with regard to tea and other articles, I have never found in any place that so far as the exports of a commodity of a country are concerned, the Government of that country have agreed with some other country that the exports of that commodity of the country should be entirely stopped. Sir, whatever may be the international conventions, I should like to know what advantage can we derive by agreeing to stop our exports.

My friend, Dr Sir Ziauddin Ahmad, pointed out that because we put on a high protective duty, therefore, somebody else had desired that we should stop entirely our exports of sugar. I do not know what other people have got a voice in our administration who can force us to agree not to export something. I do not agree that such a thing has happened in any case, no other country except Great Britain can do that and I do not think that Great Britain has done it when she is not interested in the sugar industry at all. It was only after the Great War that Great Britain tried the new policy that existed or came in existence all throughout Europe to become self-sufficient—about which the Honourable the Commerce Member told us so much the other day, but it is well known that Great Britain created the sugar industry at very heavy cost in England and that Great Britain became a little interested in sugar at its own cost and I am sure they never wanted that India should not export sugar out of India.

Sir Muhammad Yamin Khan: They do not grow the sugarcane

Mr. Husenbhai Abdullabhai Laljee: They have tried to create a sugar industry by purchasing raw sugar and they have done it for their own purposes. What I mean to suggest is this, that it would not have been even in the interest of Great Britain that this thing was done. Therefore, the very first principle of any Government is to encourage by all means all its exports. It is for the sake of exports that this great war is going on and will go on until all the people settle amongst themselves as to what are the legitimate exports for everybody and I may say when I attended International Chamber of Commerce meetings in Paris that, although everybody has been discussing self-sufficiency since 1935 throughout Europe, nobody came to any conclusion as to what really it would mean. I feel that when an industry has been protected, it is very essential that the Central Government should intimate to all the Provincial Governments that if they want to take advantage of protection, then the legislation which they pass with regard to that industry should be such as to meet with the approval of the Central Government and also such as would suit all parts

of India. Now, a certain legislation has been passed in the United Provinces, but others have not passed any such Legislation and the result is that there has been a competition between sections of the industry in India, with the result that so far as protection and other questions are concerned, they come up in a form so as not to give any real help to the industry. I say, Sir, the sugar industry deserves all support and the protection, but we ought also to have uniform legislation all over India and so long as a Provincial Government wants the protection of the industry, they should send up their proposals to the Central Government for being confirmed or so as at least to elicit the suggestions of the Central Government.

Now, Sir, with regard to iron and steel, of course, we have paid very heavily and I am not sorry for it. It is said that the Bombay people are always for industrialization and that that is at the cost of the country, it is said that they go on for industrializing and the country goes on paying Sir, the only principle on which we stand here is—that whatever we do in this respect, it remains in the country, howsoever it may be, it remains in my own country, but I do wish to point out one thing that while the industry does require that help which we ought to give them, it equally behoves the key industries to extend to the people, the mass of the people, the agriculturists, that protection in a time of emergency for which we really want them to be protected, by not raising their prices. I do not know whether the Tata Iron and Steel Company has increased the prices of certain things but I do feel that it is their bounden duty as also of the Central Government to see that the agriculturists' implements that are being manufactured at Tatas must continue to be done and to be sold at the old rates and that the prices of these articles should not be raised.

An Honourable Member: Their price list has gone up.

Mr. Husenbhai Abdullaabhai Laljee: The prices of all the things should not go up—it has no doubt cost us crores to help them and there is no question about it, we can make a demand that "we helped you so long and when occasions like this emergency arise, we want them to look into this point, otherwise of course it is the shareholders' concern. But when we go out to strengthen the industry, to keep it up through the adverse times, we can say that we do want the Government and the industrialists to come forward and see that the agricultural implements which we want for the improvement of agriculture should not be sold at dearer prices, and those prices should not be increased." And one word more,—*viz*, when a company with the help of the public finances has become stable, and considering that their shares today are worth something really worth having and if that is due to the protection or the money provided by the exchequer, then it is their first duty and also the bounden duty of the Government to see that the prices of agricultural implements should not be increased more than what they were before the war and it is but equitable that those supporting the industrialists should take this line. Sir, I do hope and trust that my friends will realize that this is but fair, that it is due to them that this should be done, and I understand the key industries in England are the first to come out to help the people although in peace time they join or make International cartels and what not.

[Mr. Husenbhai Abdulla bhai Laljee]

So far as the war supplies are concerned, I know Government are taking pretty good care of them and I have no doubt that they will continue to take good care of them. Therefore, I have not much to say on that point, but this much I must say that some opportunity must be given to the Members of this House to discuss the policy that is laid down by the Government for the renewal of excise duties or for the protection of the industries. At the same time, I must say that I do not approve of the method of giving protection only for a year. That is neither here nor there. In fact, that kind of protection shows uncertainty. That kind of protection means that the industry will never be able to flourish. You have had the instance of the salt industry. For four or five years, you gave to that industry the protection of one year only at a time and when you removed that protection, the industry has become just as it was or worst than before the protection was given. You should not create this idea of uncertainty. You cannot have anything definite in one year. Therefore, the protection must be given for at least three years and after two years a full report as to the activities and the progress of the industry must be placed before this House. At present, we have no such opportunities and I do hope that an opportunity will be given to the Members to go into the activities of the various industries, and that is only my object.

Now, Sir, one word more and I have finished. I want to say something with regard to silver thread. It is a very good thing and we do want protection for it. It is the industry which has helped the cottage industry. It is the industry which has existed in India for a number of years and I think it is not at all fair to give that industry protection year after year. It ought to have a protection for five years straightforward. With these words I support the amendment that the Bill ought to be sent to the Select Committee. At the same time, I wish to make it quite clear that I am not against the protection being given, to these industries as provided in the Bill.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) What does the Honourable Member propose to do in the Select Committee?

Mr. Husenbhai Abdulla bhai Laljee: If the Honourable Member gives us an opportunity to know the facts and figures that have been asked, I do not think there is much to be done. Otherwise, we will have to make some suggestions and lay down some lines. What else could we do? What other opportunity have we got?

Seth Haji Sir Abdoola Haroon (Sind Muhammadan Rural) Sir, I rise to support the motion moved by my Honourable friend, Dr Sir Ziauddin Ahmad. He gave a very elaborate history of the protection of the sugar industry from its very beginning. According to my view, he gave a very correct history of the sugar protection legislation. Side by side, he brought to the notice of the Government the fact that the Governments of Bihar and the United Provinces and also the Syndicate are going against the spirit of the Fiscal Commission report and the Sugar Tariff Board report. I quite agree with him that the different Associations and the Provincial Governments have created such difficulties in the way of the sugar industry that everybody is crying against them, but their voice is not reaching the

Government of India Sir, the cultivators are suffering greatly these days The sugar merchants are passing resolutions against them. The Syndicate and the Provincial Governments of the United Provinces and Bihar are also against the above reports Lately, they have formed a Sugar Control Board Now, what is the effect of this Sugar Control Board so far as the cultivators are concerned? The Board has fixed that the manufacture of sugar should not be more than seven lakhs and 27 thousand tons this year, whereas on the basis of the sugarcane crop it can be manufactured to the tune of ten lakhs and 50 thousand tons. The result is that the poor cultivators have to waste their cane which is worth not less than $2\frac{1}{4}$ crores of rupees Now, out of this cane, the poor cultivator has either to manufacture Gur or Khandsari This can be done only where they have got instruments for their manufacture Even if they do manufacture Gur or Khandsari, the price that they can realise of their cane will not be more than $2\frac{1}{4}$ annas per maund The United Provinces and the Bihar Governments have fixed the price of the cane at four annas and three pies per maund for this season According to the views of many persons, this is a very unremunerative price

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Does the Honourable Dr Sir Ziauddin Ahmad agree with that statement?

Seth Haji Sir Abdoola Haroon: The price fixed is four annas and three pies per maund and it is an unremunerative price to the cultivator

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: What did the Tariff Board say?

Seth Haji Sir Abdoola Haroon: The Tariff Board said seven annas But the Government of India have put an excise duty of Rs $2\frac{1}{4}$ per maund which can be calculated to be three annas per maund on cane So, the Government of India have already robbed the cultivator of three annas per maund of cane because of this duty Not only, that there are many tracts in the United Provinces and Bihar where these poor cultivators have not got any instruments to manufacture Gur or Khandsari The result is that their sugarcane is to be burnt or destroyed totally Besides, the Sugar Syndicate and the Governments of the United Provinces and Bihar have allowed the sugar factories to crush so many maunds of cane by the 24th of March After that date, the sugar factories cannot crush cane and so the cultivators are compelled either to destroy their cane or to burn it There is no other way left to them

Sir, I do not think any Member is opposing this protective duty Bill
 1 p.m. What we want to bring to the notice of the Government is how this protective duty on sugar has been worked by the Provincial Governments and the Sugar Syndicate As was pointed out by Dr Sir Ziauddin Ahmad, these Associations and these Provincial Governments are working against the reports of the Tariff Board and the Fiscal Commission It is our duty to intervene in this matter and stop all these things

My Honourable friend, Mr Ramsay Scott, has suggested that the Government of India should intervene in the matter and control the All-India Sugar Control Board I cannot understand these suggestions These

[Seth Haji Sir Abdoola Haroon.]

suggestions came from the Sugar Syndicate and the Sugar Mills Association. The Government of India have already granted protection to sugar industry. Now they are asking further that the sugar industry must be protected according to the views of the Sugar Syndicate. They do not want to allow Bombay, Bengal, Madras and the Punjab to increase their sugar industry. The Sugar Syndicate asks the Government of India to compel these other provinces to consume the sugar produced in the United Provinces and Bihar. Is this fair, is this just? I hope other Provincial Governments will come forward to oppose this demand. After giving protection to the sugar industry, the Government of India should not compel other provinces to take only the United Provinces and Bihar sugar. I do not understand the proposal of the Sugar Syndicate. However that is not before us now. I must warn the Government of India to be very cautious. They should not give any further protection or support the industry this way or that way. The present situation has been created by the United Provinces and Bihar Governments and the Sugar Syndicate.

Now, I will refer to the question of export of sugar from India. Up till now there was no possibility of export of sugar by sea or land to any country. But on account of the war height in shipping has gone up and there is difficulty to obtain ships to carry sugar from Java or any other part of the world to India. Although sugar is available in large quantities in Java, the difficulty is that of freight. Therefore I request the Government to consider seriously the question of export of sugar from India. There is now a possibility of Indian sugar being in demand in foreign countries. I think a few thousands of tons of sugar have been sold by sugar factories to Afghanistan and the latest reports of market rates ruling in Ceylon show that Indian sugar is saleable there if only Indian sugar is reduced to a small extent in price. The consumption of sugar in Ceylon is something like 50,000 to 80,000 tons a year. I have also got a report that in Iraq, Syria, Palestine, Egypt and Turkey there is shortage of sugar. These countries are unable to get sugar from Java on account of shipping difficulties, although in Java, sugar is available in large quantities. It is, therefore, possible that these countries might come forward to purchase sugar from India, if they get shipping facilities from Karachi to Basra, and so long as the war continues, there will be demand for Indian sugar in these countries. My suggestion is that the United Provinces and Bihar Governments should not stop sugar mills from crushing cane. They must give permission for the mills to manufacture more and more sugar. At the same time, the Government should see to it that the manufacturers do not lower the price of cane. The poor cultivator should benefit. If the mills do not take cane, the cultivators will be obliged only to destroy them. They cannot store cane for next year for manufacture of sugar or *gur*. Therefore the cultivators have to destroy them. Therefore I request the Government of India to instruct the United Provinces and Bihar Governments and also the Sugar Syndicate not to stop crushing cane even when they finish the quota. There are great chances of sugar being in demand for export at good prices if the war continues for some time more.

Since the last two or three decades, tariff protection has been going round and round the world, it first started in America and then went round

other parts of the world. Many people argue that this war is the result, and the direct consequence of this policy of protection. I do not know how far they are correct, but as a businessman I must say that since this policy of protection has been started we have no peace. Businessmen have no peace, they find themselves in great difficulties to run their business. Therefore I suggest that although we give protection to sugar industry, we should not protect the capitalist, we should not protect the manufacturers, we have only to look after the interest of the cultivator. The cultivators should get a remunerative price for the cane. They should not be robbed of their legitimate dues. We are not merely charged with the duty of protecting the factory people or the merchants. We have already protected them by levying this protective duty. The United Provinces Government or the Bihar Government should not intervene in fixing the price of sugar or in fixing the quantity to be sold this year or next year. There should be free trade policy. (Interruption) There is no sales tax in the United Provinces, so far as I know. I suggest that there should be free trade policy in regard to sugar industry. Once more I request Government to accept the amendment of Sir Ziauddin for a Select Committee to report by 1st April next. I can assure the Honourable the Commerce Member that no one here is against protection. We cannot appoint a Tariff Board and, therefore,

Sir Cowasji Jehangir (Bombay City Non-Moslem Urban): If the report is coming on the 1st April what is going to happen to the duty after 31st March until the Bill has been passed by both Houses?

Seth Haji Sir Abdoola Haroon: The Select Committee can sit on the 26th. We want to place all our views before the Commerce Member and the Finance Member should see that all these Acts are passed according to the Fiscal Commission, he should not allow the Provincial Governments and the Syndicate to go beyond them.

Sir Cowasji Jehangir: My point is that this Act lapses on the 31st March and if the report of the Select Committee is submitted on the 1st April it means that both the Houses cannot pass the new legislation for at least over a week. What will happen to your sugar protection during that week?

Dr. Sir Ziauddin Ahmad: What happens when the Finance Bill is not passed on the 1st April? They take executive action in that case.

Seth Haji Sir Abdoola Haroon: We can finish our Select Committee on the 26th and place our report on the 27th. In the meantime, if it extends for two or three days, action can be taken by an executive order to keep this duty. Sir, I support the amendment.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr Deputy President (Mr Akhil Chandra Datta) in the Chair.

Mr. T. Chapman-Mortimer (Bengal European): Mr Deputy President, when I speak on the subject of tariffs and protective duties, I always feel

[Mr T Chapman-Mortimer]

that I am in some sort of an arena as the learned doctor said where lions and tigers are roaming about, not to mention a whole lot of other animals—leopards and the like and quite a number of others, less fierce perhaps but no less unpleasant opponents. Today I do not propose to roam over all the subjects as some speakers have done, but to confine myself to that highly controversial bitter-sweet subject of sugar. I think that the Honourable Member will have appreciated by this time that some of his remarks which he let fall on another occasion—in the course of a very brilliant speech, when he talked about the establishment of an advisory board or some sort of advisory body, to assist him in connection with problems arising out of the sugar industry—he will have seen that those remarks have aroused hopes in some quarters, anxiety in quite other quarters, and at the best a good deal of controversy.

I do not propose at this stage to make any specific recommendations or indeed to make any suggestions of a definite sort. What I do want is to set out a number of points on which I should like the Honourable the Commerce Member to tell us something at a later stage. I quite appreciate that it may not be possible for him at this stage to tell the House what the terms of reference and the exact composition of this proposed advisory body may be. It is obvious that in matters of this kind delicate negotiations have to go on, and I can quite understand that at present it may not be either wise or proper for the Honourable the Commerce Member to tell us all that at a later stage we hope he may. At the same time as I have said, some of the wording that he used on another occasion has given cause for a good deal of anxiety. The words he used referred to the organisation of the industry in various areas on a more rational basis. I entirely agree that in the context in which those words were used it is perfectly clear, at least to me, what the Honourable the Commerce Member has in mind. At the same time I am not at all sure that others are of the same way of thinking, and it is on that subject that I should like perhaps a word from him at a later stage. I hope to hear that this body is not a body that is going to organise the industry because if it were such a body we in this Group—and I think I am speaking for most of my colleagues—would very strongly oppose the suggestion of the setting up of any kind of purely official body to organise the industry. I do not myself think that that is the idea of the Commerce Member, but I should like to have him emphasise that that is a correct interpretation of what he said. If, however, it does mean that he has in mind the setting up of some committee which will have control of the organisation of the industry or advise on its policy, well, then in that case I believe most of my colleagues feel that it would certainly have to be a committee that consisted of both officials and non-officials.

Dr. Sir Ziauddin Ahmad: For what purpose?

Mr. T. Chapman-Mortimer: That is what I want to know. I am asking what would be the purpose. But as I say I can quite appreciate that in regard to the actual terms of reference and in regard to the composition of the committee the Commerce Member may not, at this stage, be in a position to tell us all that, at a later stage, I hope that he may.

Now, on the subject of a committee that has on it any representatives other than official representatives, as Honourable Members of this House

know, the sugar industry is perhaps one of the most disorganized in the whole country. There are few industries where there are so many cross-currents of opinion, so many different sections holding, and holding very strongly, to their own point of view. These sections, fortunately, are not drawn as between Europeans on the one side and Indians on the other they are drawn as between some Europeans with some Indians against some Europeans and some other Indians, and so on all through the different provinces and states. There are therefore these many very conflicting points of view and very conflicting interests.

Mr. M. S. Aney (Berar Non-Muhammadan). Are you speaking to the motion before the House or on the amendment?

Mr. T. Chapman-Mortimer: The motion before the House and the amendment, both. The industry is one which is highly disorganized. Finally, if you want a committee which has on it a large number of representatives of the industry—and it would have to have a large number in order to cover and represent all these different points of view, then it seems to me that it would not only be a committee which was extremely unwieldy, but it would also be a committee which would tend to defeat its own object. There are other ways, I suggest, in which Government with the advice of a small advisory committee can obtain the views of different sections and interests in the sugar industry. For these reasons, I should like, as I say, to ask the Commerce Member if he could at this stage properly tell us a little more about what he has in mind,—I do not say everything more, but he might tell us something more, and he might in particular clarify the point which he himself has already made,—and it is on that point that I should particularly like to hear what he has to say—namely, his reference to the organisation of the industry in various areas on a more rational basis. Sir, I support the Bill.

Dr. P. N. Banerjea: Sir, my Honourable friend, Dr Sir Ziauddin Ahmad, said that in one Bill two very important matters were placed and these were not united by any tie, to which the Honourable the Commerce Member said that these two were connected by a silver thread. Seriously speaking, I think there is something in Dr Sir Ziauddin Ahmad's contention that these three matters are so essentially different from one another that it would have been better if they had been put in three different Bills, because the conditions with regard to the grant of protection to the steel and iron industry are entirely different from the conditions with regard to the grant of protection to the sugar industry. And thirdly, the silver thread industry stands on a footing different from the other two industries. It is a cottage industry, and the grant of protection to this industry would not perhaps excite any opposition in this House. So it would have been better,—that is my view also,—if these three matters had been placed in three different Bills. I am also of the opinion that it would have been better if these matters had been brought before us at an earlier stage, at the beginning of the present Session, instead of at the fag-end of the Session. But, Sir, what would be the advantage of referring this Bill to a Select Committee? That is the question for us to consider. Would the Select Committee be entitled to go into the question of protection being granted or refused to any of these industries, or into the question of the quantum of protection, or into the

[Dr P N Banerjea]

question of the conditions which would hedge round the amount of protection that is to be given to it, or into other subsidiary questions such as the safeguarding of the interests of the consumers and the safeguarding of the interests of labour and so forth. Sir, it does not seem to me that it will be possible to go into all these questions at the Select Committee stage. Therefore, I do not think that it would be any great advantage for us to go into a Select Committee on the 24th or 25th March, and ask the Select Committee to report on or before the 31st March. These duties will expire on the 31st of March. The consideration of these matters to which I have alluded will take a great deal of time. This cannot be finished in the course of four or five days. Therefore, what I would suggest is that the Honourable the Commerce Member should give us certain assurances with regard to these questions. In case we agree to the continuation of this protection to the three different industries mentioned in this Bill for one year, he will take steps, say six months hence, to constitute a Committee which will go into this question. I admit that the circumstances at the present moment are abnormal owing to the war, and in these circumstances it will not be possible for us to deal very satisfactorily with all the aspects of the question of protection to these industries. But then there is another matter which will have to be considered. Shall we go on giving protection to these industries without inquiring into the present condition of those industries and the way in which the consumer is being affected, the way in which the labour is treated, and other pertinent questions? These are subjects which ought to engage our attention at an early date.

The Honourable the Commerce Member said the other day that he had a mind to appoint a Committee. I believe his idea was to appoint a Departmental Committee. Now, a Departmental Committee is not a very satisfactory Committee from our point of view, and even the Deputy Leader of the European Group, Mr Chapman-Mortimer, considers such a Committee as an unsatisfactory one. He is not satisfied, although I do not see eye to eye with him on many questions. Now, what we want is that there should be industrial development in the country and this industrial development should be fostered by the Government in many ways. Tariff protection is not the only way to encourage the industries of the country. There are various other ways, and for this purpose what I would suggest is that an Industrial Commission should be appointed which will consider the needs of the different kinds of industries,—large-scale industries, middle-size industries, and cottage industries. Now, it may be argued that this is not the proper time for undertaking such an investigation. I do not agree with that view. It was in 1916 when the last great war was in its full swing that the Industrial Commission was appointed, and it took over two years to submit its Report. If an Industrial Commission were appointed now, and if sufficient time was given to the people and various commercial bodies to submit their views within, say, six or eight months, the Commission would consider the whole matter perhaps next year, then it might collect other evidence, it might acquaint itself with the conditions prevailing in other countries, and by the time the war was over, perhaps this Report would take its final shape. That can be done. As regards the composition of the Commission, I entirely agree with my friend, Mr Chapman-Mortimer, that a purely

official body will not do. On the other hand, I am inclined to the view that it should be predominantly, if not wholly, non-official in composition. Now, this Commission will discuss various methods of giving encouragement and protection to industries, but perhaps we shall require another body,—I mean another Fiscal Commission,—which will go into the details of the policy of tariff protection.

Now, Sir, we read the other day in the papers that Dr John Mathai, who was a member of the Tariff Board for a number of years, and who was afterwards appointed Director-General of Commercial Intelligence, said that the time had come when the whole question of the fiscal policy of the country should be fully re-considered and re-adjusted. There is a great deal in that view, but I think the question of the tariff protection, which is only a part of the general question of protection, should be taken up after the Industrial Commission has made its report. As regards the composition of the second body, I would say again that that it should be predominantly, if not entirely, a non-official body. The Honourable the Commerce Member suggested that he would appoint not one committee but perhaps two or three committees, and I do not know what their functions will be. But my view is that when the Industrial Commission is to be appointed it should be given the widest terms of reference. No subject connected with industry should be excluded from its purview. When the Fiscal Commission later on is to be appointed it should also have a very wide scope of enquiry. This is my suggestion to the Honourable the Commerce Member—namely, that an Industrial Commission should be appointed at the earliest possible moment without waiting for the conclusion of the war and that later on, after the Industrial Commission has submitted its report, a Tariff Commission or Fiscal Commission should be appointed which will go into the sole question of tariff protection.

As I have already stated, if the Honourable the Commerce Member is prepared to accept these suggestions, I think there will not be much desire on the part of the Opposition to go into details of the question of continuing protection to these industries at the present moment. We will perhaps be able to agree that the Bill be passed for one year, but within that period investigations should commence. I do not say that the investigations should be finally concluded, but they should commence immediately, these investigations, if they are of a very wide character, will take two or three years to finish. In the meantime, if necessary, particular questions may be referred to these Commissions and their views may be obtained. That would be a far more satisfactory thing to do than to refer this Bill to a Select Committee with instructions to report on or before the 29th or 30th March, that is to say, in the course of the next three or four days. Therefore, I am prepared to support the motion made by the Honourable the Commerce Member provided he meets the views of the Opposition to the extent that he is prepared to undertake an investigation into the whole question of industrial development of the country and then refer the question of tariff protection to a Fiscal Commission later on.

Mr. Jamnadas M. Mehta (Bombay Central Division Non-Muhammadan Rural) I have considerable sympathy with the motion for referring this Bill to a Select Committee for the simple reason that we are called upon to continue a great burden on the consumer's head in the interests of certain industries without being taken into confidence as to what the

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necessity is today for the continuance of this protection. The fact that the present protection expires on the 31st March, 1941, is not the fault of the House. Government must have known that the expiry of the present protection is so near. They had a year before them since the last budget. What steps did they take to order an investigation into the further need of protection, and what facts has the country got today about the need for its continuance? Surely, the Government cannot spring a surprise on the House and on the country when they had ample time to think of the problem themselves and to place before the House a reasoned statement of the need for the continuance of the protection. They have not done so. They have not explained why they have not done so, and they cannot take advantage of their own, I won't say, negligence but of their own failure.

Mr. M. S. Aney: Latches

Mr. Jamnadas M. Mehta: They cannot take advantage of their own indifference or omission.—I would use the simplest and safest word— their own omission to take the House into confidence earlier. Therefore, there is considerable force in the argument for the motion for referring the Bill to a Select Committee. If the Honourable the Mover of the amendment had kindly included me in the list of Members of the proposed Select Committee and if the motion is carried I would have gladly served on it. Unfortunately the position is that this protection expires on the 31st March whether through the fault of the Government or through their preoccupation with more important matters to which the omission might very probably be due. Also the fact remains that if we do not pass this Bill in time, certain industries will find it very hard to carry on and to some extent may be irretrievably harmed. That aspect of the question I submit cannot be ignored.

I am not against protection of national industries. In fact, I am for it, and in my view, in certain cases if the protection that has been given had been adequate from the beginning, some of these industries would not have needed protection today. It has not been adequate always, it should have been downright and upright protection with the full knowledge that the shorter the period of protection the better for the country. But that has not been done, and now we are placed in a situation where if you do not extend the life of these measures your industries may be ruined. We are thus on the horns of a dilemma and I am therefore, not prepared to take the risk of harming any industry although it is a just grievance that the Government have come far too late and have not explained the justification for the omission and the delay. At the same time, I want to repeat what I said at the start, that the responsibility for continuance of protection which is a burden on the consumer is not a small responsibility. The House must be clearly satisfied whether the protection that has been given to these industries has justified itself. For instance, we know the conditions on which the Fiscal Commission recommended protection. These conditions were that as a result of the protection given internal competition shall set in, that the country shall become self-sufficient in the matter of that industry, that the price of the article shall become lower and that the industry itself shall expand in course of time so that no foreign imports will be necessary. These were

some of the outstanding conditions on which protection was recommended by the Fiscal Commission. Certainly, the time has now come when the country should ask the Government to let them know whether these conditions are satisfied. I ask the Government whether internal competition in the matter of steel has set in. It is nearly 20 years now since the consumer has borne the burden, and the Mover of this amendment has given the figure of 50 crores as the cost to the consumer of this protection so far.

Even this year in the present Budget, if you examine the figures of expected receipts from the import duties in the matter of protected industries, you will find that the figure is not very much lower than four or five crores on all the protected industries. At a time when freight is lacking, when there are restrictions on imports, there is no shipping available,—if in that year Government can expect nearly four to five crores from duties on articles of protected industries, in the earlier year the amount must have been much larger when the trade was free when you could import all that you wanted. Therefore, this figure of fifty crores of the burden borne by the consumer is an underestimate although I shall be prepared to accept any official figure of the direct burden on the consumer from 1922 or 1923 since the protection to the Tata steel industry and subsequently other industries started. Has internal competition set in? That is the second question. Have more industries of the type been started? Are they manufacturing the same kind or heavier kinds of steel also? To what extent has the import of foreign steel been reduced? Are other industries operating successfully under this wing of protection or are we where we were? These facts should be known to the country. Are we watching the figures of the manufacture of steel by the Tatas? I know they used to produce nearly 30 thousand tons of finished steel per month, nearly 14 years ago. I think they are producing more than double that quantity. I am speaking subject to correction of these figures. I agree that they have made great progress but not one other steel industry has been started. Not one single company in addition to that has been started.

Honourable Members: The Bengal Steel Corporation and the Mysore

Mr. Jamnadas M. Mehta: Mysore is not British India and the Steel Corporation is not of the same type as the Tatas. I am conscious of these but what I was saying was this—is any industry on the same scale as Tata's operating for manufacturing steel for heavy industries? I readily accept the companies which my friends have mentioned. But the fact remains that after 20 years of protection this country is not still self-sufficient in the matter of all kinds of steel. That fact cannot be challenged. Have the prices cheapened? Has competition set in? One effect of protection should be that the price of Tata Steel and other steel would be much cheaper. But that has not happened. On the contrary in spite of the existence of protection for 20 years the Tata's second preference carried no dividend for several years. They got into arrears to the extent of nearly the value of the share itself. It is also on record that prices have not cheapened and the country has not benefited in the matter of the expansion of other steel industries to the point of self-sufficiency. Worse things have happened. There have been orgies of

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speculation in the name of Tata steel deflated shares and what calamities has the country thereby borne in the name of the protection of the Tata Steel industry? What number of families have been ruined? What private individuals have lost on speculation on a share of Rs 30 going up to Rs 2,500? The immense and colossal amount of almost suicidal speculation is known only to the Bombay market, so great it was that the stock exchange had to be closed for months. All these facts the country is entitled to appreciate.

Renewing protection for a year is not so simple as it looks. To pay five to six crores on all protected industries annually—it may be more or it may be less—to be paid by the consumer, without making the country self sufficient and without cheapening prices is not a satisfactory state of things. I know a neighbour in Bombay who came to gather wool from Ahmedabad and went back shorn, I am told that he alone lost 50 lakhs of rupees on speculation in Tata steel! I do not know how many more in Indian States have ventured into this field and have lost crores. If reports are correct there have been tremendous losses. Therefore the country is entitled to know from the Honourable the Commerce Member whether this Tata steel industry, as a result of 20 years protection, has resulted in the advantages which the Fiscal Commission said should result—internal competition and the expansion of industries and not the creation of a monopoly. Moreover, I think if you withdraw the protection, in the absence of any competing company, I am not sure that the Tatas may not raise their prices, having no rival. Protection given without definite conditions is a risk. It will create a monopoly as it has so far done. So far as labour conditions are concerned, the Tatas are far ahead of many of the other industrialists in this country. Judging from all that one hears about the employees of Tatas, I think even the Government must take a leaf out of the book of Tatas. Of course, even they could do further. Everything has not been done that should have been done but they are far better in this respect than many other industrialists and even the Government in certain respects are lacking. I have read the Honourable the Commerce Member's speech in the papers when he introduced this Bill, but I read no argument regarding these points which I have raised.

Then there are other tests about protection. Protection is not an end in itself. Every student of economics knows that free trade is the ideal. Protection is a half way house for a country like ours but even in a country like ours, there are four tests which should be applied independent of the Fiscal Commission's recommendation and I should like to know whether these tests have been satisfied. These tests are not my creation. About a dozen most celebrated authorities in England, I think, Prof Gregory is one of them, have agreed that certain tests must apply before even protection, bad as it is, should be accepted. One is whether it has resulted in the creation of new wealth in the country. If you protect a number of capitalists and enable them to live in comfort and earn fat commissions and dividends, that is not the essence of protection. New wealth must be created in this country.

An Honourable Member: National wealth

Mr. Jamnadas M. Mehta: I am not saying that this production of steel which helps various industries and which helps the building of our homes is not new wealth but it is not enough after 20 years of protection.

Then another test is whether the capital that has flowed into the protected industries is a diversion of capital from other industries or an expansion of the capital investment. Merely diversion of capital from one industry to another which earns more as the result of protection is not an advantage. No existing industry should be harmed or prejudiced as a result of protection and there should have been additional capital invested and not merely diversion of capital from one industry to another. Otherwise the net advantage is doubtful. The Government have not stated whether after 20 years of protection they are satisfied that the crores of capital of the Tatas are not keeping other industries starved for want of capital or that there has been no diversion of capital.

Then, Sir, it should result in the expansion of employment—not the employment of the *khaddar* type where after twelve hours' work you get two annas in wages—that is not the employment I am thinking of. When the economist refers to the expansion of employment, he refers to gainsome employment, emp'oymen' which is higher in wages than in other industries, which improves their conditions and raises their standard of life. It is not *any* employment that is welcomed. When we talk of unemployment we do not talk of employment on exploited conditions. If there is an earthquake, all of us will have to be employed to reconstruct the world, but that is not the employment which economists are thinking of. It is gainsome employment, employment which is so profitable that it is better than the existing employment, not employment which exploits the worker, that is not the employment. Gainsome employment must have expanded in the country as a result of this, and the standard of the workers must have risen. If a scheme of protection for an industry satisfies these conditions

Dr. Sir Ziauddin Ahmad: What is the fourth point?

Mr. Jamnadas M. Mehta: The creation of new wealth, the non-diversion of capital from other industries, etc., well and good, otherwise, in the net, we do not gain anything, that some new kind of wealth is produced, there should be an expansion of employment on an improved standard. If protection is not followed by these conditions, I have no use for that protection.

Pandit Nilakantha Das (Orissa Division Non-Muhammadan) What is the fourth condition?

Mr. Jamnadas M. Mehta: Take three only if you like—there is no claim in numbers. I have told you what I mean if I have no other, I cannot take up a fourth point. "The creation of new wealth. There should be no diversion of old capital from existing industries and there should be an addition of new capital and expansion of employment on a higher and an improved standard." Unless these are accomplished, I have no value for that protection and I want the Commerce Member to tell us what he thinks about these tests. There is one other question which suggests itself to me. Supposing we allowed this Act to expire so far as steel is concerned, what does it matter? I am told that the Tatas do not want it. I was authoritatively informed that the Tatas do

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not want it. I remember in one of their annual reports also seeing a statement to that effect that they do not propose to ask for its continuance. Why should we then go out of our way to give protection to an industry which has declared that it is no longer in need of it? I am not against it, but if as a matter of fact it does not need it why include the steel industry in this?

Mr. M. S. Aney: Are you quite sure that they do not say it by way of a joke?

Mr. Jamnadas M. Mehta: In these matters they are not in a jocular mood, in these matters they are far too earnest, I do not think the representatives of the industrialists are in anything but dead earnest when they want to put their hands into your pocket. But, Sir, supposing we do not give the protection, then the Tatas are not going to suffer. The absence of shipping and freight and the restrictions on imports resulting from the war will make it impossible for any articles of steel when Tatas are manufacturing being flooded in the Indian market. The Tatas do not want it they are not entitled to have it since the war conditions restricting the imports of these articles prevent any flooding so why are we in a hurry? The Honourable the Commerce Member will very kindly explain.

The last argument that suggests itself to me is that industrialists are prone to believe that the industries they have built up are due to their intelligence and their capacity. This Bill shows that it is not their intelligence but the bounty of the consumer which makes them live. It is the charity of the consumer on whom the Bombay and the Calcutta industrialists are living for twenty years in the matter of steel, in the matter of textiles in the matter of sugar in the matter of many other articles and therefore they ought to be careful that they do not prolong this agony beyond the minimum number of years necessary for helping a national industry.

About sugar I have only one remark to make. The sugar industry has expanded and grown in a manner which will remain, I think, a landmark in the history of protection in this country and for which the Government and the industrialists deserve to be congratulated, but they ought to know that the wages in sugar factories, so far as I know in the Bombay Presidency, are miserably low. The prices of sugarcane in the United Provinces and Bihar are said to be so low that the cultivator is unable to make both ends meet. Most of the companies in the Bombay Presidency are growing their own sugarcane. Therefore that question does not arise in Bombay. The question that arises is—what wages do they pay to their own employees, both those who grow their sugarcane and who run their sugar factories. I have been Chairman of a sugar company for many years. I am no longer that now, but I know that the wages both of those who grow their sugarcane and those who help in manufacturing sugar are miserably low. The housing conditions are impossible and just as the Tatas have set an example in the matter of their employees, this sugar industry must be made to follow the example of giving decent wages and healthier living conditions before we agree to continue the protection. Sir while for these reasons I very willingly would have supported the motion for referring this Bill to a Select Committee, I am afraid I cannot do so

when the Honourable the Commerce Member has told us that these industries might suffer, that is a sufficient deterrent to my enthusiasm and, therefore, if the Honourable the Committee Member gives some of the undertakings which I have mentioned, that the fullest information will be obtained and placed before the House, then we can pass the Bill, otherwise it will be wrong for the Government to proceed and it will be wrong for the House to support the Bill. Sir, with these words I support the main motion.

Sir H. P. Mody: Mr Deputy President, I did not intend to intervene in this debate, finding myself in the embarrassing position of being a member of the firm which controls the Steel Company and also of being a director of the Company itself, and even my Honourable friend Dr Sir Ziauddin Ahmad's speech, this morning left me more or less unmoved. I know that my Honourable friend is interested only in consumers and ticketless travellers and his horizon has not travelled beyond these spectres which he is continually raising before this House. As regards the subsequent speeches, they raise certain points on which it is necessary for me to place certain views before the House as briefly as I can. It is true, as my Honourable friend Mr Jamnadas Mehta, whom we are very glad to see back amongst us after an absence of nearly eleven years—it is true as my Honourable friend has just stated that the Tata Steel Company is not in need of any further protection. As a matter of fact, as early as 1937 our late Chairman Sir Naoroji Saklatwala had made it clear that unless some abnormal circumstances supervened the Company hoped to be able to do without protection at the end of the seven year period, which expires on the 31st March of this year. During this period, the Company, I may claim, has more than justified the confidence placed in its capacity to run a steel plant efficiently and according to modern methods, and has, at the end of the period provided the country with an outstanding example, if I may say so, of what Indian energy, enterprise and talent can do in the matter of running large scale industries. The Tariff Board contemplated an output at the maximum of 650,000 tons. This year the Company hopes to produce 800,000 tons. The cost and efficiency contemplated by the Tariff Board during the period of protection were actually achieved by us in 1939-40. In addition, during this period of seven years, the Company has spent nine crores of rupees in capital extension without going to the public for any capital issue. Now, a question has been raised, what benefit has accrued to the country from the cost to the consumer entailed by a protective measure such as this? Let me tell my Honourable friends in the first place that to talk of industrialisation and to talk of burdens on the consumer at the same time are two contradictory things in the sense in which this perpetual talk of the burden on the consumer is being indulged in. Every measure of protection must entail a burden on the consumer. There cannot be any getting away from the fact but as my friend, Mr Jamnadas Mehta, has pointed out, the burden should not be a perpetual one and the benefit to the country in the long run must be established by the measure of stability achieved by a particular industry. All these canons have been satisfied so far as the steel industry is concerned. Before I leave the subject, I would like to tell my Honourable friend, Sir Ziauddin Ahmad, and those of his way of thinking that if this bogey of the burden on the consumer had deterred the Government and the Legislature from protecting industries, we would still have been in the position in which we were at the beginning of this century, namely,

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producers of raw materials and importers of finished articles. If that is a position which pleases any man who has the good of his country at heart, then he should, I submit with great respect, learn a little more about the economics of the country.

Coming to the question of the benefit to the country arising from the steel industry you have this outstanding fact before you that where there was an absolute jungle inhabited by aborigines some 30 years ago, there is now a town of 100,000 inhabitants, which is second in population and first in importance in the whole of the province of Bihar. Employment has been found by the Steel industry for 25,000 people, who, with their families, make up the greater part of the population of Jamshedpur today. In addition—and this is a matter of almost equal importance—subsidiary interests have clustered round the steel industry, and there are several flourishing concerns manufacturing various products with steel as a derivative. Furthermore, the success of the Tata Iron and Steel Company has induced the establishment of another enterprise which has recently come into existence and which, I think, is also a creditable example of Indian enterprise and ability to manufacture on a large scale.

Pandit Nilakantha Das: Is there any competition or is it a monopoly?

Sir H. P. Mody: It is an entirely independent organisation.

Pandit Nilakantha Das: Is it competitive?

Sir H. P. Mody: What I was saying was that over and above the fact that a large scale industry has grown up in a place which was a jungle a few years ago, a scale of labour welfare and wages has been set up which my Honourable friend, Mr Jannahdas Mehta, has characterised as being for above anything else that the country has produced. My friend has referred us a deplorable circumstance to the fact that in a certain class of scrip of the Tata Iron and Steel Company there is a good deal of speculation. That is none of the making of the Steel Company, and, as a matter of fact, it is precisely for that reason that the Company has approached its shareholders for a re-construction of the capital with the idea of doing away with this very speculative scrip.

But great as may have been the achievements of the Steel Company during peace, its achievements during war are greater still. During the last war, the existence of the Steel Company had a very considerable effect upon India's war effort, though, compared to what it is today, it was on a very limited scale. But today we are in a much stronger and happier position to assist the country's war effort. We have supplied large tonnages of shell bars, and a variety of new products manufactured for the first time in India, such as, Bullet Resisting Armour Plates, High Manganese Steel Sheets for Steel Helmets, Nickel Steel Sheets for Gun Platform and Carriages, Black Sheets for Rifle and Machine Gun Magazines, Sheets for the manufacture of Anti-Aircraft Bullet Clips, High Speed Steel Bars and Low Carbon Steel for drawing into wire for the Telegraph Department. We are also training young Indians as Flight Mechanics for the Indian Air Force. I will not say more. I am speaking with a certain degree of restraint, which is somewhat foreign to my

nature, because I am aware that it is not right for one who is placed in the position in which I am to talk about the achievements of the Steel Company. All that I want to say is that if there is one industry more than another which has demonstrated that protection is a good thing for the country, that granted efficient protection an industry is capable of establishing itself and of doing without protection at the end of a specified period, it is the steel industry. I think both those who were in the Government of that day and the Legislature have every reason to congratulate themselves that at a critical hour in the history of the Steel Company they went to its assistance. While expressing the gratitude of myself and of my colleagues for all the assistance which the Steel Company has received at the hands of the Government and the Legislature, I think, I am not immodest in claiming that the Steel Company has paid back the country a hundred-fold for all that was done for it.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudahar: Mr Deputy President, I had not expected this long debate on this Bill, and for a very simple reason. My Honourable friends have suggested that I was almost guilty of what is termed in courts of law as 'misjoinder of charges' by putting under one protective Bill such varied items as sugar, steel and silver thread. My justification for that, Sir, was merely the fact that this protection Bill has one principle, the principle being that under the present circumstances the Government are unable to assess the quantum of protection to the various commodities and that therefore, they are merely asking the Legislature to continue the protection for a definite period of one year. That was the principle underlying the Bill and, therefore, I thought it would not be embarrassing to any Members of the Legislature if those varied items came under one 'blanket Bill', if I may so term it, and the debate has shown that Honourable Members have been in no way embarrassed and that in fact it has helped them to make as long speeches as they liked on these varied measures.

Now, Sir, let me deal with the iron and steel part of this Bill very shortly. My Honourable friend, Mr Jannadas Mehta, whom we all welcome to this House, has suggested that with reference to iron and steel Bill, the Government have no ideas of what protection is needed or whether it is needed at all. It was unfortunate that he was not present on Saturday when I introduced the Bill. I then said that so far as iron and steel protection was concerned, it was almost becoming clear to the Government that the period of protection need not be extended, that the industry had established itself, that as my Honourable friend, Sir H. P. Modv, has repeated this afternoon, the wisdom of the Government of the day and of the Legislature had stood vindicated, that what the Fiscal Commission had foreseen with reference to protected industries was almost coming true, at least with reference to one industry and that if we were not actually out of the wood, we have certainly very fair clear glimmerings of the vast and illimitable open space into which we shall shortly enter so far as this industry is concerned. I was aware that it had been authoritatively stated on behalf of iron and steel industry by its Chairman that at the end of this period of protection, they may not require protection. Nor has the demand for protection come from the Tatas.

I also explained that taking various articles which are included under the protective tariff, under iron and steel and the varying measure of protection that has been given to each of these articles, it was impossible

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for the Government to come to any conclusion at the present time even with reference to revenue duties which have to be laid on these articles I have explained that even if protection was abandoned, it did not mean that articles would come free of all duties into the country, but that Government must necessarily levy certain rates of revenue duties on each of these articles Owing to the complicated nature of the position and the number of varied articles involved, it requires some more careful investigation than we have been able to do at the present time, than we have had the time to devote to that aspect of it, and that was my main justification for coming before the House and requesting the House to continue this level of taxation for the period

My second justification was the fact that I was conscious that the consumer was not unnecessarily mulcted, damned or in any way damaged by the continuation of this level of protective duty, the present imports are on such scale, so much of import control sometimes at one end or the other, sometimes at both ends is now in operation, the desire of this Government to reduce the amount of civil consumption on iron and steel is so great that taking all these things into consideration, it is only the very wealthy and the well-to-do that can afford to have steel products at the present time That was another reason why I felt that a continuation of this level of duty for another year would not be as embarrassing to the consumer as it might otherwise have been These are the considerations which have led the Government to place this measure so far as iron and steel is concerned before this House

I would like to make one other point clear and that is with reference to the possibility of the time when the protective duties may be off and the revenue duties may take their place In my speech the other day I referred to the fact that industrialists and commercial people would be well-advised to conserve such resources as they are able to have at the present time and that they must look forward to a time of great difficulty in the near future when peace conditions are restored and that the extent to which they can claim help from the Government would largely depend upon the way in which they have conserved their resources at the present time I see that criticism has been addressed to that part of my speech and many eminent industrialists have said that they have no resources to conserve Well, Sir, I do not want to go into the details of that question At another time I may be in a position to state more clearly what sort of concerns I was thinking of

But there is one concern to which those remarks necessarily apply at the present time and that is the great company which is in charge of iron and steel products mainly of this country I would like to address that particular company a warning that I have already given in more general terms It may be that they may not require protection at the end of the war but it may also be, and I believe those who are at the head of affairs are realising it the conditions may so change that dumping may have to be resorted to by other countries, that the vast armament productions having been suddenly stopped, the different varieties of iron and steel products may be produced at such cheap rates that danger of dumping may arise and that when at that time a company were to come forward and ask the Government to protect against such dumping to have some sort of anti-dumping laws, apart from any question of protection, even with reference to that I believe anybody standing in this place

would like to have a proper explanation, a proper accounting from the company as to how it expended its resources when it was in a position to make certain profits. May I add this, so that there may be no misapprehension on the subject? There are two ways of making profits as any industrialist will realise. First, to charge so high as to make extra profits, where you are making five or six per cent profit which by your increased charges you will make 12 or 15 per cent—a very illegitimate way of making profits. Another way is this that by the mere fact that your output increases or your turnover is much more than it used to be, though you are making the same margin of profits your total profits may be much more than they were before.

Dr. Sir Ziauddin Ahmad: A lesson to Sir H. P. Mody

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I only put that suggestion because there should not be the idea that mere increase of total profits means an unnecessary and harsh burden on the consumer. I trust that the industry concerned will take note of all these facts and that it will so organise itself and so conserve its resources that there will be no need for it again to come before this House or before the Government and subject itself to the kind of criticisms that have been levelled on several occasions, some of them quite legitimately, if I might say so from Honourable Members of this House.

I will leave iron and steel industry at that and I come to the main theme of the speech of my Honourable friend, Dr. Sir Ziauddin Ahmad namely, sugar. (Interruption.)

Yes, Dr. Sir Ziauddin is always sweet but owing to the bitterness that he felt about the sugar industry of his own province and the way in which that sugar industry has been managed by various authorities he has taken the occasion to vent all that bitterness on my unfortunate devoted head. I cannot understand any other reason why he should have been so severe about me when all that he had to complain of and all he felt quite rightly, was about actions which were by no means mine or even inaction on my part and I shall explain how I have not been guilty even of inaction. My Honourable friend quite rightly emphasised the principles of the Fiscal Commission and asked what the Government of India had done with reference to the recommendations of the Fiscal Commission. He referred to the fact that the industry's growth should be watched, that internal competition should be brought about, that combines should be prevented a fu is possible and that the interests of the consumers should thereby be safeguarded in regard to protected industries. I have myself emphasised these facts and these recommendations of the Fiscal Commission. In July, 1940 when I had the honour of convening the Sugar Conference at which were represented various Governmental delegates, State delegates and representatives of the industry, I laid these four propositions before that conference. My Honourable friend Sir Ziauddin, was good enough to attend that conference, and if the House will permit me Sir I will read very short extracts from my speech there which will show that not only was I not guilty of inaction but that I had taken the most active part in bringing prominently to the notice of the representatives of the provincial Governments certain action on their part and giving them advice as to what they may do in this regard. I said

"You may remember that the Indian Fiscal Commission many years ago laid down certain cardinal principles regarding the protected industry its growth and development."

[Diwan Bahadur Sir A. Ramaswami Mudaliar]

There have been many criticisms about the principles of the Fiscal Commission laid down for granting protection to industries but I do not think there has been any criticism as regards those conditions which the Fiscal Commission laid down regarding the duty of the Government to watch the course of protection.

I would invite my Honourable friend, Mr. Jammadas Mehta's attention also to this part of the speech.

"The Fiscal Commission laid down that a Tariff Board should watch the working of the protection and in its absence the Government of India have taken upon themselves the duty of watching the situation from time to time during the period of protection. That responsibility still lies with the Government of India and it was only the other day that I stated in the Assembly that the Government was watching keenly from time to time this protected industry and how it was being developed.

I should like to draw your attention to one fact. I suggest that the sugar industry being a protected industry involves as a necessary consequence the application of certain important principles. The Fiscal Commission remarked about a protected industry that a time will come when the burden on the consumer would be relieved by the growth of such internal competition as would necessarily bring down the prices for the manufactured article. The Fiscal Commission laid great emphasis on the fact that while the import duty may be kept at a high standard that would not in itself mean the perpetuation of a heavy burden on the consumer. A stage will be reached when by the development of the industry under the shadow of protection, by the increase in production owing to various entrepreneurs coming into the field because of that protection such internal competition would come into existence that the prices would go down and the consumer will be benefited."

And I want to draw Sir Ziauddin's attention particularly to this paragraph.

"How far is this principle violated by the organisation of trusts or combines which fix minimum prices for the sale of the commodity and by such combination prevent under pains and penalties anybody selling below a certain figure?" Normally, in the capitalistic system to which we are accustomed it is not a crime if traders come into a combine but with reference to a protected industry that is not quite so simple and I am not at all sure whether steps should not be taken to prevent it. I do not suggest that in all circumstances with reference to a protected industry the fixation of a minimum price by a combine is necessarily wrong, but I do venture to state that such a state of affairs requires to be justified before the Government of India.

Honourable Members will realise that the Government of India was not as deaf and dumb as my Honourable friend, Sir Ziauddin, supposes it to be that we had brought to the notice of the industrialists and of Provincial Governments these defects in the existing situation and that it is consequent on that that steps have been and are being taken by the Governments concerned to regulate the industry in these two provinces on a better basis.

Now Sir, there is one short point with which I should like to deal because on the record as it has gone it would create a wrong impression. My Honourable friend with reference to the sugar industry calculated the import duty that was collected before the protection was granted, and the combined excise and import duties that have been collected since and having made this arithmetical computation by subtracting the one from the other through the course of these years he came to the conclusion that 50 crores had been lost. Now, Sir, I do agree that the adoption of the principle of protection and the levv of a high protective duty does mean loss at least temporarily for the time being, to the revenues of the State. But if a proper picture has to be drawn of the whole position I am perfectly certain my Honourable friend, Sir Ziauddin must take many more factors into consideration before he arrives at a balanced account. Let me give the House only one or two items which the learned

Doctor has casually ignored What about machinery that has been imported into this country for the building up of these sugar factories, on the import of which a certain amount of import duty has been paid by the entrepreneurs? What about the increased collection of income-tax and super-tax from the industrialists who have gone into this industry and have made profits? These are two items which have to be taken into consideration. Then there are other factors also which have perhaps to be taken into consideration. The Central fisc is different from the Provincial fisc, and while it is true that the Central fisc has lost there are other authorities which may have gained. And when you consider the sugar industry and the cane plantation that has grown in the various provinces and the revenue that it may have brought to the Provincial Governments,—these also perhaps have to be taken into consideration before you arrive at your mathematical calculation. There is also one other factor which has to be taken into consideration, though it is poor consolation to the Government of India and particularly to the Finance Member. In calculating your excise duty you have necessarily calculated the duty which is being collected only in British India and you have necessarily to leave out the excise duty which is collected in the Indian States. These are all factors which have to be taken into consideration, but I do agree that the imposition of a high tariff for working an industry does involve a great loss of revenue to the central fisc. And that is why the Fiscal Commission said that in taking into consideration the question of protection, necessarily one has also to pay some little attention, sometimes a great deal of attention to the effect that it will have on the central revenues which depend to so large an extent on indirect collection of revenue.

Sir, let me also refer to the remarks of my Honourable friends Mr Ramsay Scott and Mr Chapman-Mortimer. I do not know what in my speech has created the impression that the Central Advisory Committee that I was thinking of was somehow intended to hamper the growth of the industry or may have the effect of hampering the growth of the industry. I said in the course of that speech

"The second suggestion that I put forward before these Governments was that while it was not possible to have a central body to control the sugar trade, I would be satisfied if I had an opportunity of having an advisory body composed of representatives of various provincial and State Governments which will watch the growth and development of the industry, place facts before the various States and provincial Governments which may to a certain extent enable them to organise the industries in their various areas on a more rational basis and that the dangers which threaten the sugar industry may to a certain extent be avoided if at least we have this central advisory machine working."

My Honourable friend asked me to state what the terms of reference were to this committee and what the constitution of the committee would be.

Mr. T. Chapman-Mortimer: May I just make a personal explanation? I did not ask the Honourable the Commerce Member to explain the terms of reference, because I quite appreciate that he might find that difficult at this stage. I did appreciate that.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I am glad my Honourable friend has appreciated the point, and I am certainly not in a position to lay down exactly the terms of reference or even the

[Diwan Bahadur Sir A. Ramaswami Mudaliar.]

constitution of the committee I said in that speech that this was engaging my attention, that I am considering very carefully the reply that has been made by the various Provincial Governments and State Governments, that there are one or two difficulties which have arisen with reference to the replies of one or two Provincial Governments, that I hope very shortly to be in a position to get over these difficulties and to form this advisory committee. But I may read to my Honourable friend the actual resolution which was passed at the last sugar industries conference where some at least of the Provincial and State Governments were represented and a number of industrialists were also gathered there, and it is that resolution which formed the basis of my consultations with Provincial Governments.

"On the third issue it was recognised that any proposal for all India control of the industry on a statutory or compulsory basis was out of the question. It was, however, generally agreed, that the dangers of over-production and of the unregulated growth of factories were so serious that it was desirable that an all-India organisation should be set up in the form of a central advisory board. This Board's probable principal function would be to advise Provincial and State Governments—*(not that the Board was going to advise me)*—and also industrialists about the opening up of new factories and the removal of factories from one place to another, to investigate the possibility of co-ordinating arrangements on a voluntary basis for the marketing of sugar throughout India and to advise authorities concerned on the fixation of prices for cane and for sugar. It was also observed that this board can do useful work in connection with the utilisation of bye products."

I do not want to stereotype the functions as laid down here or to suggest that they are the last word, but that gives a general indication of the scope and functions of an advisory board when an advisory board is set up under the auspices of the Government of India.

My Honourable friends were anxious that the whole question of the sugar industry should be discussed. My Honourable friend Sir Zauddin Ahmad, moved that the matter be referred to a Select Committee. But when I asked what was the purpose of the Select Committee he could only say that the whole question could be discussed there and the views of various members placed before the Commerce Member. It does not require a Select Committee for the Commerce Member to get the views of various members. In fact if Honourable Members are anxious to convey their views to me, I would avail myself of any opportunity which would enable them to do so and an opportunity which will present itself to them on a wider scale than that of a small Select Committee. I can understand a Select Committee which will actually make some modifications in the Bill as introduced to lower the extent of the duty or in any other way to modify the measure. But if it is purely for the purposes of acquainting me with various problems of the industry, I could very readily agree to my Honourable friend and any other Honourable member who is interested in this subject meeting me on such an occasion as would suit their convenience, even more than mine, and have a general discussion on the whole subject. I cannot see any advantage in the measure being referred to a Select Committee for the purpose of merely bringing certain general issues before me and placing the views of Honourable Members on those issues.

There are other problems with reference to this sugar industry—I am aware that the syndicate has suggested that one of the ways by which the sugar industry can be helped is by a lowering of the protective duty. I am not in a position to accept that suggestion at its face value, especially

when it is combined with another suggestion that Government must reserve to themselves power of raising the duty whenever necessary. I look upon this industry, and necessarily so, from my place, on an all-India basis. I have to take into consideration the requirements, the necessities and all factors relating to the industry as a whole wherever it is situated, and I can only say that at the present time I have not got the material which will enable me to suggest a reduction of the import duty. I do not say that the present duty is justified. I do not say that a reduction of the duty may not be contemplated. I have not got the materials. Honourable Members complain that I have not placed all the facts before them. I have placed every single fact that has been before me before this House in one speech or another. This question of the sugar industry has been engaging the attention of the Commerce Department for well-nigh one year. We knew that this sugar industry in certain provinces at least was getting into a difficult situation as early as January last and I am revealing no secret when I say that even at that time the Honourable the Finance Member and myself after consultation put certain suggestions before the main Provincial Governments concerned with reference to this industry, particularly with reference to the fixation of prices of sugarcane, and we have neither lost that interest nor indeed have we been callous to the necessity of so rehabilitating that industry that it may stand on sure ground hereafter.

If I am unable, therefore, to make any further suggestions or bring out any more facts relating to the quantum of protection that is needed by the industry—and that is the sole issue involved in this Bill—it is because I have not got any more facts at the present time. I am quite clear, however, that this measure should be continued for one year more and with the advisory council that I have suggested and the further consultations that I hope to have with various Governments, I trust I may be in a better position to know the requirements of the industry and to place a much more clear picture before the House next time during the Budget Session of 1942.

Sir, I have kept to the last the silver thread. Very little has been said about it, and that is the only silver lining that I have seen with reference to the discussion on this Bill. I trust that the House will forgive me and the Honourable Members who are keen on the Select Committee will forgive me if I stand completely unconvinced by their arguments and, therefore, am unable to accept their recommendation. It is only because I see no useful purpose that can be achieved by a reference to the Select Committee.

Mr. Deputy President (Mr. Akhil Chandra Datta) Before the Chair calls upon any other speaker, the Chair owes it to itself more than to the House to say that under the usual procedure of this House the reply of the Mover of a motion is tantamount to closure. But the Chair called the Honourable the Mover of the Motion, frankly speaking, in a mood of absent-mindedness without considering the effect of the reply on the debate and without contemplating closure. The Chair has looked up the rules. It does not find anything in the rules or Standing Orders which makes it obligatory for the Chair to declare that the debate must close with the reply of the Mover of the motion. At the same time, the Chair would admit that under the usual procedure of the House the debate closes with the reply of the Mover. But in view of what has

[Mr Deputy President]

happened and in the particular circumstances of this case, if any Members wish to speak, the Chair will allow them. But it must be understood that this will not be a precedent for the future. The Chair has no doubt that for an effective debate the right of reply should be given to the Mover and that there should be no speeches after the reply.

Maulvi Muhammad Abdul Ghani (Tirhoot Division Muhammadian)

4 P.M. Sir, when the protection to the sugar industry was granted, the sugarcane growers had very great hopes that they will also be benefited by this protection. If we compare the prices paid to cane growers during the past years, we come to the conclusion that the price paid to the cane growers was on the average about one-sixteenth of the price of sugar. Last year sugar was selling at Rs 11 per maund. The price paid to the cane growers was about Rs 0-10-0. Take a year back, the price of sugar was about Rs 6 or 7 and the cane grower was paid a little more than six annas. But this year although the price of sugar is just a little over Rs 9, the cane grower has been compelled to accept Rs 0-4-8 for every maund of sugarcane.

[At this stage, Mr President (The Honourable Sir Abdur Rahim) resumed the Chair]

It is said that steps are being taken on the one side to help the cane grower in order that he may get a fair price for his cane, while on the other hand if we analyse the position, we find that these steps are counteracted. Recently a sugar excise fund was started, and a sum of Rs 10 lakhs was provided in the Budget under the head Agriculture. But from the Audit Report for 1941 on the Budget Estimate of 1939-40 I find that this fund was created primarily to help the cane grower so that he may get a fair price for his cane. One anna per every cwt of sugar was charged as excise for this purpose. But just after the creation of the fund, I find that a condition was imposed,—and what was that condition? That condition was that from the 1st April, 1939 the claim of the Imperial Council of Sugar Technology of Cawnpore, will be the first demand on this fund. Later on, it was laid down that the second demand on this fund would be that of the Imperial Council of Agricultural Research. So you will see that while on the one hand a fund was created to help the cane grower to get a fair price, on the other hand it was counteracted by the imposition of these two conditions.

Then, there is another thing to which I should like to invite the attention of the House. The two Governments of Bihar and the United Provinces, have now been successful in controlling the price of sugar, with the result that they have placed the poor cane grower in a very pitiable position. They have fixed the price of sugar at Rs 9—or somewhere between Rs 9-2-0 and Rs 9-3-0. At the same time they have fixed the price of cane at Rs 0-4-8 per maund. Not only this, Sir, but they have imposed another condition. The sugar manufacturers wanted to sell their sugar at lower prices and clear their stock and get a fresh stock of sugar as they thought that this year they would get cheaper cane due to over production. The cane grower has cultivated large quantities of sugarcane, and they expected that if they were allowed to sell their stock at a fair price in the market, they would be in a position to manufacture fresh sugar, but they were not allowed to do so. Why were they not allowed to have fresh stock of sugar? Will not that condition which is imposed on the sugar manufacturers produce a direct or

indirect effect on the cane grower' Not only this, Sir The two Governments have imposed another condition on the manufacturers, that instead of crushing their cane in the month of November, they should commence crushing after the middle of January On the one hand there is over-production in Bihar and the United Provinces while on the other hand there is a condition imposed that the sugar manufacturer should not commence crushing before the middle of January,—which means more than a month later Now, the House may imagine the plight of the poor cane grower

Sir, a novel thing happened in the locality where I reside The sugar-cane organizing department which is paid out of the proceeds of the sugar excise duty, imposed a condition on the local factories situated there that they would not take cane of free area, say, within a radius of ten miles A representation was made to the cane department, and they refused to listen to the grievance, and the factories were not permitted to take a single cane from that area For information I may state that the letter of the Cane Commissioner, Bihar, No. 2159/4-F 442-41, dated the 7th February, 1941, be referred to, in which the Commissioner said that no cane could be taken A further representation was made, and when the matter was further pressed, the Cane Commissioner came down and issued instructions to his Cane Inspector at Siwan to submit a proposal so as to divide that ten miles area into two zones, so that the cane may be taken in the current crushing season The poor Inspector is making out a proposal, and by the time he will submit his proposal, the season will be over, because, you know, Sir, after the middle of April or by the end of April, there will be no crushing season because it will not be advantageous to the manufacturers to resort to cane crushing at so late a stage

These are the conditions under which cane growers are labouring It is no use giving protection out of which no advantage is derived by the cane grower It was on account of this that my Honourable friend, Dr Sir Ziauddin Ahmad, has moved his motion for reference of the Bill to Select Committee, so that if protection is to be given for one year more, some condition should be imposed on the manufacturers Here, sitting in this House, we cannot make proper suggestions off-hand For this reason the Select Committee motion is a proper one and I support it

Some Honourable Members on the Treasury Benches: Let the question be now put

Mr. President (The Honourable Sir Abdur Rahim) The question is "That the question be now put"

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The question is·

"That the Bill be referred to a Select Committee consisting of the Honourable Sir Muhammad Zafullah Khan, the Honourable Diwan Bahadur Sri A Ramaswami Mudaliar, Mr T S Pillay, Mr J Ramsay Scott, Seth Haji Sir Abdool Haq, Sir Muhammad Yamin Khan, Dr P N Banerjea, Mr Husenbhai Abdullaabhai Laljee and the Mover with instructions to report by the 1st April, 1941, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five"

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is "That the Bill to extend the date up to which certain duties characterized as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect, be taken into consideration."

The motion was adopted.

Clauses 2, 3 and 1 were added to the Bill

The Title and the Preamble were added to the Bill

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I move "That the Bill be passed"

Mr. President (The Honourable Sir Abdur Rahim) Motion moved "That the Bill be passed"

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Division Muhammedan Rural) In this third reading, I am not going to discuss the clauses or anything else, it is only the principle on which I want to say a few words. The principle of all such Bills when there is a tariff question is, whether we can give protection, or whether we can withdraw protection. So far as the duty on iron and steel is concerned, I would draw the attention of the Government that protection cannot continue for ages and ages. We know for certain how the prices of the deferred and ordinary shares of Tatas ranged. In the case of deferred, they went up from 30 to 1,500 or more, and in the case of the ordinaries, they went up from 75 to 345 or so. Again, in the case of dividends on deferreds the dividend went up from 25 per cent to 479 per cent, and on ordinary from 8 per cent to 33 per cent. In that case, how does it stand to reason that protection should be continued? Is the Tata Iron and Steel industry in a state of infancy, or is it an orphan company? They do not stand in need of any help from the Government. In the case of sugar we have had an excise duty. Sugar companies are not very old companies, they are new. So when you have put on an excise duty on sugar, why don't you put an excise duty on iron and steel? It may be said that the influences which are exerted in the case of Tatas are different from the influences which work in the case of sugar companies. If big capitalists have interests in Tatas, I see no reason why the interests of the other capitalists, that is, of sugar mills, should not be considered also. I do not want to enter into a quarrel as to why the consumers should be helped and why capitalists should not be helped. I say, help each one of them. The capitalist has a right to get his dividend, also the consumer has a right to get his advantages too. The present state of the country is not such that Government money, or Government revenue or Government protection can be frittered away. We ought to think twice before we give protection to ancient and long standing industries. The idea of protection is

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must remember that this is third reading. The House has passed the clauses, and the Honourable Member cannot argue against them now.

Mr. Muhammad Azhar Ali: I am not arguing, but I say that protection

Mr. President (The Honourable Sir Abdur Rahim) These clauses deal with extension of protection for one year, and they have been accepted by

the House, and the Honourable Member cannot argue against the verdict of the House. That is not the scope of a third reading at all.

Mr. Muhammad Azhar Ali: I thought it would be proper if I said something about the principle of protection.

Mr. President (The Honourable Sir Abdur Rahim) No. The Honourable Member cannot do that now.

Mr. Muhammad Azhar Ali: Then, this is all I had to say.

Dr. Sir Ziauddin Ahmad: I just want to reply to one or two points raised by my Honourable friend, Sir Homi Mody and the Honourable the Commerce Member with reference to the arguments which I brought forward.

Sir Homi Mody said that every protection must involve a burden on the consumer and if I am opposed to any burden on the consumer, then we should be satisfied with the raw material produced in this country and the manufactured articles brought from outside. That was not the position I took up. I think it was a misrepresentation of the position I had taken up. I would like to point out that we on this side of the House, those who had been discussing this question had never been against any theory of protection. We supported protection but at the same time we said that whatever the consumers are now suffering and paying in the shape of increased prices is a kind of loan which ought to be paid back later on.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member's speech must be confined to what is permissible in the third reading stage.

Dr. Sir Ziauddin Ahmad: I am trying to remove a misunderstanding created by Sir Homi Mody's speech.

Mr. President (The Honourable Sir Abdur Rahim) Is it by way of personal explanation?

Dr. Sir Ziauddin Ahmad: Yes. We on this side have never been opposed to this principle of protection but we said that this is a kind of loan which ought to be paid back in time when the industry is in a flourishing condition. Now, as regards the other question when I gave the figures about sugar, that is as to how much has been lost, that was not adjustment of the accounts. The industrialists had been saying that they have invested in this industry 15 crores of rupees and they say that this should be in our mind always when we discuss these things but they should also remember that the Finance Member has also contributed a handsome sum in the neighbourhood of 50 crores. Consumers have also contributed to this protection. All these things should be taken into consideration when we discuss these things. There is no question of the adjustment of arithmetic. That time will never arise, because there cannot be arithmetical adjustments in dealing with these industries.

The Honourable the Commerce Member pointed out what was the need for this committee. That is the point on which we laid very great stress. He did not appreciate the point which I first put forward when

[Sir Ziauddin Ahmad]

I moved the reference to Select Committee. The Tariff Board's recommendation on page 188 of their report is that in the first seven years the duty should be fixed at Rs 7-4-0 per hundredweight and that for the remaining period at Rs 6-4-0 per cwt. That is after seven years the duty ought to have been lowered by one rupee. That was the recommendation of the Tariff Board and really I wanted to know in the Select Committee when I moved this motion why this recommendation has not been accepted, why the reduction of one rupee as recommended by the Tariff Board has not been given effect to, when it is time to give effect to this. The other point that Sir Homi Mody brought forward

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is not expected to reply to all that happened during the consideration stage. The Honourable Member must confine himself to the third reading. The Honourable Member must by now know what third reading means

Dr. Sir Ziauddin Ahmad: What can I do during the third reading

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must remember what the third reading means. The House has given its verdict on the clauses of the Bill and the Honourable Member cannot impugn that verdict. All that he can now deal with is the effect of the passing of the Bill and he may make, if he likes, suggestions to soften any hardships that might be caused

Mr. M. S. Aney: May I submit this as a point of order? Suppose at the third reading a Member wants to oppose the Bill and in doing that he will necessarily have to say something about the main principles of the Bill and the effects of those principles on what he considers to be the economic position of the country. Would he be in order?

Mr. President (The Honourable Sir Abdur Rahim) I will explain what I meant. Certainly the Honourable Member is entitled to oppose the third reading of the Bill on the ground that if this Bill becomes law, the effect will be injurious to the public, but he cannot argue the whole matter now.

Dr. Sir Ziauddin Ahmad: That is what I am doing. I think the whole Bill is not necessary. Protection is not needed. That is just the point I take up in this particular connection

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot deal with that now. This Bill has not become law. It is open to him to oppose it. The Honourable Member can say that he opposes the Bill because the effect of passing the Bill will be undesirable

Dr. Sir Ziauddin Ahmad: My point is that protection is not needed

Mr. President (The Honourable Sir Abdur Rahim) The principle of protection has already been accepted by the House. You can oppose the Bill

Dr. Sir Ziauddin Ahmad. I am opposing the Bill and opposing really means that the continuation of the protection is not needed. That is my attitude and

Mr. President (The Honourable Sir Abdur Rahim) That cannot be repeated now

Dr. Sir Ziauddin Ahmad. I am not going to repeat what I said before. The attitude which I take up is that this protection is no longer needed. I find that this iron and steel industry is giving a dividend of 479 per cent in the year 1940 and when an industry gives a dividend of 479 per cent it does not need protection.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot argue that now. It was open to him to argue that during the consideration stage

Dr. Sir Ziauddin Ahmad: In the consideration stage, I moved that the Bill be referred to a Select Committee. That was turned down. It is still open to me to argue that protection is not needed in the case of an industry which can pay a dividend of 479 per cent and which is making enormous profits.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot do that now. The proper stage for that was when the Bill was being considered. Now that the clauses of the Bill have been passed, all that the Honourable Member can do at this stage is to point out that the effect of the passing of the Bill will be undesirable or bad for the country. He cannot now argue that the provisions of the Bill as embodied in the clauses ought not to have been adopted by the House.

Dr. Sir Ziauddin Ahmad: I am opposing the whole Bill. Now, I find that the capitalists are getting an interest which is absolutely unjustifiable and they are paying a dividend of 479 per cent and their ordinary share

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is really going back

Dr. Sir Ziauddin Ahmad: I will only say that this protection should be abolished. It will affect the smaller industries and also the consumer on account of the high prices which would be the result of the continuation of the protection. With these words I oppose the Bill.

Babu Baijnath Bajoria (Marwari Association Indian Commerce) Sir, the development and expansion of the sugar and steel industries during the period of protection has been the high landmarks in the history of the regeneration of industry in this country. These industries have fully justified the protection which has been given to them and as Sir Homi Mody said, those legislators and the Government Member then in charge must congratulate themselves on having passed such beneficial measures in the past which have put these industries in a position to satisfy the needs of this country to such a large extent as they are doing at the present

[**Babu Baijnath Bajoria**]

moment It is also a matter of gratification, as my friend, Sir Homi Mody, has pointed out, that the steel industry does not require and is not in need of further protection, and the sugar industry also has said that we do not want the same amount of protection as we have been enjoying up to this time". These are just the aims which the protection ultimately should accomplish, and to that extent, Sir, the industry has fully justified the protection. Sir, we should take a leaf out of the success of these industries and we should note that if similar protection is given to other industries also, they will also develop in the same manner as these industries have done.

Sir, much has been said by Sir Ziauddin Ahmad and one or two friends that fifty crores of rupees have been lost by the Government and a hundred crores, even two hundred crores, have been lost by the consumer on account of the protection to the sugar industry. Sir, in my opinion this is an absolutely wrong and incorrect statement to make. Sir, I claim that protection means something like an investment, as you make an investment in the company, and then you reap the benefits at the end. I would like my friend, Sir Ziauddin Ahmad and other Members of that school of thought, to realize that when protection was first given to the sugar industry, what was the price of sugar which the consumer had to pay at that time? If I remember aright, the price at that time was in the neighbourhood of Rs 16 or even Rs 20 per maund.

Seth Haji Sir Abdoola Haroon Question, not correct

Sir H. P. Mody: Certainly much higher than the present rate

Seth Haji Sir Abdoola Haroon: Certainly not

Babu Baijnath Bajoria: Sir, if you will go into the figures, they will speak for themselves that only several years ago the retail price of sugar to the ordinary consumer was not less than eight annas per seer and that the price of Java sugar was Rs 16 to Rs 20 per maund. I am speaking about a decade or so previous. But it is only on account of the internal competition amongst the sugar manufacturers that the price has gone down to the low level which we find today and, as such, I think the consumers are now reaping the benefits of the protection that has been given. Consider what would have been the result if there were no sugar industry in the present circumstances in the country? Sir, we would have had to import sugar from Java and Mauritius and we would have had to pay any price which they would have asked for. The price of Java sugar also went down only when the production in this country rose. When the people in Java could not market their sugar on account of the increased production of sugar in this country, it was only then that prices went down so very steeply. Sir, I would say that now the country as a whole is benefiting by the protection which they gave to the sugar industry.

The same remarks more or less apply to the steel industry. Sir, the name of Tata will go down as a very glorified name in the history of industrial development of this country. There is no gainsaying the fact that it was only due to the great imagination of this great man that this

big national industry has been established on such a large scale in this country and this industry has also more than justified the hopes of the Tariff Board, as has been proved by the facts and figures given by Sir Homi Mody, instead of a maximum production of 6,50,000 tons, they are producing 8,00,000 tons at the present moment. Another aspect which we should think of is that here again in this time of war what would have been the fate of this country if the Tata steel industry which is such a vital key industry would not have been in existence in this country. One can imagine the serious consequences which that state of things would have had on the war efforts of the Government of India. Sir, as we know, steel is a vital material or rather I should say that it is the pivot on which most of the war equipment is centred. If we did not have steel at the present moment, there could not have been any great armaments manufactured here,—armoured vehicles armoured tanks and all other things—and we would not have been able to get steel at the present moment from the United Kingdom or from America even. In my opinion both in the time of peace and much more in the time of war this key steel industry has been doing the greatest service possible to this country.

Sir, if you will permit me, I will refute the charge of 479 per cent dividend which the Honourable Dr. Su Ziauddin Ahmad brought. I think he was calculating on the price of Tata deferred shares, Rs 30 and the dividend which is paid on deferred shares at the present moment. He has forgotten that the intrinsic and the present market value of these shares is in the neighbourhood of Rs 2,000.

Dr. Sir Ziauddin Ahmad: Rs 2,367

Babu Baijnath Bajoria: It is not that price

Sir H. P. Mody: No dividend for thirty years

Babu Baijnath Bajoria: Dr. Su Ziauddin Ahmad has forgotten that this industry did not pay any dividend for several years, and whatever profits were made by this industry were laid out again in the development and reorganization of the plant of the industry. We have to consider the present value of the capital employed in the industry as a whole and not its face value. I think Sir, these arithmetical points do not occur to my friend, Dr. Su Ziauddin Ahmad—who might be a great mathematician but he does not know much of arithmetic, Sir,—and not of the type of arithmetic concerned with accounts.

Dr. Sir Ziauddin Ahmad: Is this permissible Sir on the third reading of the Bill?

Mr. President (The Honourable Sir Abdur Rahim).—The Honourable Member himself set the ball rolling and the Honourable Member Mr Bajoria, is now replying to him.

Babu Baijnath Bajoria: Sir, as regards the steel industry, it is also a matter of gratification that another big company, the Bengal Steel Corporation, has started its operations and is supplying the needs of this country—not of course to the same extent, they cannot hope to compete with the Tatas—but still it is also meeting the present requirements to a very considerable extent.

[Babu Baijnath Bajoria]

Sir Homi Mody says that he does not want protection I think there might be something hidden in this request at the present moment At the present moment Government are controlling practically their entire output and are fixing the prices on what they call war contract rates If protection is done away with, then probably Sir Homi Mody will come up and tell the Government "Now, I am not a protected industry and why should I give you the same benefit as I used to give you when I was a protected industry?" I may say that in Tata Steel Company I am not a shareholder either of the deferred shares or the ordinary shares and I have not made a profit of a single pice out of that Company We have also to consider when we are granting the protection whether the Bengal Steel Corporation and the National Iron and Steel Company require some protection or not I do not think the latter company is on the same scale or whether it does all the processes of steel making as the other two big companies do But in that company also I think more than a crore of rupees has been invested

Now, as to sugar I think it is very opportune that we should try to find export markets for our sugar If Government try, I think markets may be found in Persia, East Africa and other countries I am not quite sure about the countries, but I do believe that export markets for sugar can be found The International Agreement, though it is scrapped to all intents and purposes still remains on the Statute-book and it should be scrapped altogether and thrown into the waste-paper basket I do not agree that there should not be any control on the sale price of sugar at the present moment My Honourable friend, Sir Abdoola Haroon, said, that the Syndicate should not control the prices but he does not know what the effect of it would be We all know that there is a glut of sugar in the market All the mills are very heavily stocked and there is more than ample sugarcane lying in the fields which it is not expected the mills will be able to crush Under these circumstances if the sale price of sugar is done away with altogether, the price of sugar will go down to four or five rupees a maund which will mean an end to many of the sugar mills in the Provinces of Bihar and the United Provinces It will also mean that the crushing capacities of these mills will be greatly reduced and my friends who are posing themselves to be the champions of the agriculturist will be doing a distinct disservice to him as the quantity of cane that will be left over without crushing will be infinitely more than it is by the present method of regulation of prices On this occasion, I would like to say that the Government of Bihar should do away with their quota of 7.2 million tons and should allow the industry to crush as much as they can, consistent with the sales which they can make With these words I support the motion that the Bill be passed

Mr. President (The Honourable Sir Abdur Rahim) The question is
"That the Bill be passed"
The motion was adopted

THE INDIAN TARIFF (AMENDMENT) BILL

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I move

"That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration"

I trust that this Bill, at any rate, will have a less stormy passage through the House than the last one. It merely seeks to extend the protection by another year to wheat and wheat flour in which the Northern India provinces are greatly interested. The course of wheat prices is fair. It is not the low price that at one time was feared. But, at the same time, it is not so high that Government could take the risk of doing away with the protection that has been granted for a number of years for this crop. I stated on the last occasion, when I introduced a similar measure, that Government would keep a constant watch on the course of wheat prices and that if at any time, owing to speculative tendencies or otherwise, these prices soared up, they would not hesitate to use their powers by executive orders to remove the protection or to lower the protection or, in other words, to bring down the prices. I think it is only fair to the consumer that that warning should be repeated. Honourable Members will notice that there is an omission in this Bill and that protection of rice has not been brought under the purview of the Bill. That was done deliberately. While the wheat crop is such that the country can be self-sufficient, the rice crop unfortunately is short, so short that imports are bound to take place. When there is a tendency for prices to go up, Government felt that it was not right that there should be a protective import duty on broken rice when the needs of the consumers may demand the import of this quantity. I trust that those who are in charge of the rice crop and the big landholders will take this fact into consideration that they would not be justified in raising these prices unduly high and that if they do that, the chance of any such duty being imposed at any time will become much slender than it is at present. Sir, I move that the Bill be taken into consideration.

Mr. President (The Honourable Sir Abdul Rahim) The question is "That the Bill further to amend the Indian Tariff Act, 1934, be taken into consideration."

The motion was adopted.

Clauses 2 and 1 were added to the Bill.

The Title and the Preamble were added to the Bill.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I move

"That the Bill be passed."

Mr. President (The Honourable Sir Abdul Rahim) The question is "That the Bill be passed."

The motion was adopted.

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1940-41

DEMAND NO 2—CENTRAL EXCISE DUTIES

The Honourable Sir Jeremy Raisman (Finance Member) Sir, I move

"That a supplementary sum not exceeding Rs 2,18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Central Excise Duties'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 2,18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Central Excise Duties'."

Pandit Lakshmi Kanta Maitra (Presidency Division Non-Muhammadan Rural) May I just enquire what is the amount that is expected under this head of excise duty on coal and coke and may I know whether that figure had been taken into consideration when the original demand was made?

The Honourable Sir Jeremy Raisman: Yes, Sir, The original figure must have been included in the original Demand for Grants Rs 8.08 lakhs was the amount originally included in the Budget and the whole of whatever is collected is to be paid over to this Board Well, Sir, apparently we now anticipate that more will be collected, one lakh and 29 thousand more, so that that amount is to be handed over to the Board

Babu Baijnath Bajoria (Marwari Association Indian Commerce) Sir, what is the amount which has been given to this Board I think the purpose of collection of excise duties from collieries is to finance the Coal Mines Stowing Bond May I know if the Honourable Member can enlighten us about the working of this Board?

The Honourable Sir Jeremy Raisman: I am afraid I am not able to say just now in detail the way in which the sum is allocated for the purpose of this head The whole sum which is collected in any year is to be made over to the Board, and that is the only object of the entry under this head I do not think the administrative budget of the Board appears in our accounts at all and I could not in any case put my hands on that information It will have to be found from the reports of the Board

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) What is the total amount of the net proceeds from these excise duties?

The Honourable Sir Jeremy Raisman: We budgetted for 8.08 lakhs and since we are asking for a Supplementary Grant of Rs 1,29,000 I imagine that the total amount is Rs 9,87,000

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That a supplementary sum not exceeding Rs 2,18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March 1941, in respect of 'Central Excise Duties'."

The motion was adopted

DEMAND NO 3 —TAXES ON INCOME INCLUDING CORPORATION TAX

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Taxes on Income including Corporation Tax'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Taxes on Income including Corporation Tax'."

Dr. P. N. Banerjea: Sir, am I entitled to discuss the constitution of the Income-tax Tribunal in this connection?

Mr. President (The Honourable Sir Abdur Rahim) Is this coming for the first time? Is it a new service?

- **Dr. P. N. Banerjea:** Yes, Sir, it is a new service

Mr. President (The Honourable Sir Abdur Rahim) Then the Honourable Member can discuss

Dr. P. N. Banerjea: Sir, I learn from the newspapers that certain judicial Members have been appointed and certain Accountant Members of this Tribunal have also been appointed or are going to be appointed

The Honourable Sir Jeremy Raisman: They have been appointed

Dr. P. N. Banerjea: Three judicial Members and three Accountant Members have been appointed Sir, I wish to know on what principle the Judicial Members were appointed Are they qualified to be Members of this Tribunal? Do they possess any experience of Income-tax work? I also want to know whether the Accountant Members have had any experience of income-tax work in India These are points on which the public is entitled to have as full information as possible

Pandit Lakshmi Kanta Maitra: Sir, the most important point in connection with this demand is the question of the constitution of the Income-tax Tribunal Those of us who had something to do with the Income-tax Bill when it was under discussion in this House a year before last remember very well the amount of stress we laid on the question of the proper constitution of this Tribunal to be set up in India to go into the complicated questions of income-tax calculations and the like Sir, the Income-tax Act has been amended and many drastic provisions have been added to it We very often pressed during the course of the discussion on the Income-tax Bill that the appointments should be made from among the best candidates available and that these appointments should not be made a matter of extending patronage or anything else, and that efficiency alone should be the paramount consideration Naturally the question arises as to whether in making the appointment to this Income-tax Tribunal, the Honourable the Finance Member or for the matter of that the Government of India got these officials recruited through the Public Services Commission after proper notification It will not be sufficient compliance if on the recommendations of somebody however high placed, these persons were appointed to the Tribunal It is necessary for Members of the Tribunal to have a thorough, and first hand knowledge of the income-tax law and practice and conditions as they obtain in this country

Sir, it is a matter of common knowledge that forms of income-tax returns are so abstruse that it is extremely difficult even for highly educated persons, lawyers, for instance, to fill them properly It has been our experience

[Pandit Lakhni Kanta Maitra]
 that in many cases the assessee have been penalised for not being able to fill the income-tax return forms. It is extremely doubtful if there are any officials on the Treasury Benches or in the Department itself who properly understand the various details entered in the income-tax return forms and can give proper returns. From my personal experience I can say that as an Adviser to my clients I have failed to explain to them what exactly are intended by the Government under those specific heads, when after assessment these matters go up to higher authorities for appeal or revision, naturally questions of interpretation of these particular entries under these heads are raised. Sir, unless persons highly trained and with judicial make up and with experience and knowledge of Indian conditions are appointed to these jobs, this Income-tax Tribunal is sure to be a failure and it will not be machinery for giving redress or relief to aggrieved parties who will go to it for redress. It will defeat the very purpose for which this Tribunal has been set up. I, therefore, wanted to know from the Honourable Member whether the appointments to the Income-tax Tribunal were made through the Federal Public Service Commission, whether the candidates were granted interviews, whether the selection was made from a large number of candidates, whether the persons appointed were the best available from among the candidates. Sir, unless these points are satisfactorily explained in this House I do not think we can support this demand.

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural) Sir, I should like to know from the Honourable the Finance Member how many tribunals have up to now been set up and who are their members and whether those members, or at least the judicial members, are drawn from the ranks of judges. I find here that Rs. 55,000 are spent on the income-tax appellate tribunal this year. I should like to know whether all this money is required for the tribunals that have been set up till now or there are some that have yet to be set up and this figure includes other tribunals that will also be set up. It is very necessary to know that the selections have been the best and therefore my Honourable friend, Mr. Maitra, has asked whether they were selected through the Public Service Commission and what qualifications they had, and whether it was pure selection or whether there was a test or their experience was taken into account. This thing has come up now for the first time and it is necessary to know these points. It is a token demand and I would ask the Finance Member to enlighten us on these points so that there may be confidence among the public and also among the Members of this House that the selections have been the best.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 25th March, 1941.

LEGISLATIVE ASSEMBLY.

Tuesday, 25th March, 1941.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

MEMBER SWORN.

Mr Khedan Lal, M.L.A. (Benares and Gorakhpur Divisions Non-Muhammadan Rural).

STARRED QUESTIONS AND ANSWERS.

(a) ORAL ANSWERS.

EMPLOYMENT OF ADDITIONAL STAFF IN THE ARCHAEOLOGICAL DEPARTMENT.

484. *Maulana Zafar Ali Khan (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha) (a) Will the Education Secretary please state if it is a fact that the charge of the execution of works of the Archaeological monuments of Delhi Province was transferred from the Central Public Works Department to the Director General of Archaeology on the condition that no additional charge would be involved on establishment?

(b) Is it a fact that the following staff has been employed as a sequence of that transfer.

- (1) clerk of works, Agra;
- (2) overseer (actually employed as clerk); and
- (3) a number of overseers, draftsmen, mistries included in works estimates?

(c) Was this staff included in the works estimates, when the work was done by the Central Public Works Department? If not, what is the reason for the employment of the additional staff now included in works estimates?

Mr. J. D. Tyson : (a) Yes.

(b) and (c). I regret that through oversight it was stated in reply to (b) of starred question No. 225, of the 3rd March, 1941, that an overseer was at present employed at Delhi. As the stated pay of Rs 60 must have indicated, the post should have been described as that of a sub-overseer. No overseer has been employed. In regard to the remaining part of the question I would invite the Honourable Member's attention to my reply to parts (a), (b) and (c) to the starred question No. 225 on the 3rd March, 1941. No additional staff has been employed at Delhi since the transfer of this work from the Central Public Works Department to the Archaeological Department

Mr. Lalchand Navalrai : May I know from the Honourable Member with regard to clause (b), whether this clerk or sub-overseer or a number of overseers were already in service, or they were appointed after the transfer of the work from the Central Public Works Department?

Mr. J. D. Tyson : I am not quite sure whether the Honourable Member means the individual people. If so, I cannot answer but the post of a clerk of works, Agra, not Delhi, was created in the circumstances described on the last occasion when I answered a question on the subject and the posts of sub-overseers, draftsmen and mistries were provided for in the establishment when the P. W. D. did this work.

Mr. Lalchand Navalrai : May I know if these men are required for the execution of this work or not?

Mr. J. D. Tyson : They must have been required.

APPOINTMENT OF THE GOVERNMENT EPIGRAPHIST AS DEPUTY DIRECTOR GENERAL OF ARCHAEOLOGY

485. *Maulana Zafar Ali Khan (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha) (a) Will the Education Secretary please state if it is a fact that a technical officer (the incumbent of the post of the Government Epigraphist) has been appointed as Deputy Director General of Archaeology?

(b) Is it a fact that technical officers were never in the past appointed to this post?

(c) Will the Secretary please state why Dr. M. Nazim who is already in the general line, was not appointed to this post, in spite of the statement made by Government on the floor of this House on the 18th March, 1939 (*vide* page 1966 of the Legislative Assembly Debates) *viz*, "The fourth vacancy is to be filled shortly, and I can inform the House now that we shall be asking the Public Service Commission, in that case, to give preference to a Muhammadan?"

Mr. J. D. Tyson : (a) to (c) I would invite the Honourable Member's attention to the reply given by me to starred question No. 166 in this House on the 26th February, 1941, and to the supplementary questions and answers.

With regard to part (c) I would add that the statement in question refers to recruitment for Assistant Superintendents and has no bearing on the appointment of a Deputy Director General of Archaeology in India. The assurance that was given has been implemented.

Sir F. E. James : May I ask a supplementary question? With regard to the answer to part (a) of the question, is it not a fact that officers with technical qualifications have previously been appointed to the post of Deputy Director and indeed to the post of Director General?

Mr. J. D. Tyson : I am not sure whether that is so or not. They have been considered for those posts, but I could not say off-hand whether they have actually been appointed.

Sir F. E. James : Is not a technical officer eligible for this post?

Mr. J. D. Tyson : It depends upon the post that he is occupying. We have an architect who is holding a general post.

Dr. P. N. Banerjea : Is it not a fact that Mr. Page and Mr. Blakiston, who were architects, were appointed Deputy Directors General ?

Mr. J. D. Tyson : They were, but I do not know what posts they were holding before they were so appointed.

Dr. P. N. Banerjea : They were architects by qualification.

Mr. J. D. Tyson : I could not say.

Mr Lalchand Navalrai : Were these technical officers appointed on merit or communal basis ?

Mr. J. D. Tyson : Posts that we regard as technical posts are not subject to the communal ratio.

Sir F. E. James : May I know whether the post of Deputy Director General is a selection post ?

Mr. J. D. Tyson : It is so regarded.

APPOINTMENT OF A MUHAMMADAN CONSERVATION ASSISTANT FOR SUPERVISION OF DELHI MONUMENTS

486. *Maulana Zafar Ali Khan (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha) Will the Education Secretary please state if it is a fact that almost all the monuments in Delhi are Muhammadan monuments? Does the Secretary propose to appoint a Muhammadan Conservation Assistant in view of the religious importance of these monuments?

Mr. J. D. Tyson : The reply to the first part is in the affirmative. As regards the second part, the question of appointment by the Department of Education, Health and Lands does not arise. There are six posts of Conservation Assistant in the Archaeological Department of which three are held by Muslims. Postings are made entirely according to the exigencies of the service.

Mr. Lalchand Navalrai : May I know whether these appointments are made on merit or communal basis ?

Mr. J. D. Tyson : These postings are not made on a communal basis.

Maulvi Muhammad Abdul Ghani : What is meant by communal basis ?

Mr. Muhammad Nauman : May I know whether the Honourable Member means to say that communal proportions are not maintained in regard to these appointments according to the 1934-Resolution ?

Mr. J. D. Tyson : I was referring to postings. Recruitment is a different thing. As a matter of fact, these posts of Conservation Assistants are filled by promotion from among the overseers to a large extent, if not entirely. At the moment, they are held half by Hindus and half by Muslims. But "postings" are a different thing,—as to whether they should be transferred from one circle to another.

Mr. M. S. Aney : Does the Honourable Member think that the composition of a service, half by Muslims and half by Hindus, is in proportion to the ratio laid down in the 1934-Resolution, or is it in excess of that ratio ?

Mr. J. D. Tyson : If the communal ratio applies, then 50—50 is in excess of the ratio.

Mr. Lalchand Navalrai : May I know if there is any objection to a Hindu officer being appointed to take care of Muhammadan monuments and vice versa?

Mr. J. D. Tyson : We cannot admit that in a country where, in any given circle, there must be both Hindu and Muslim monuments we can take religion into consideration in making postings.

HAJ TRAFFIC ENQUIRY AND THE QUESTION OF RATE-WAR.

487. *Sir Abdul Halim Ghuznavi: (a) Will the Secretary for Education, Health and Lands be pleased to state if the question of rate-war in Haj traffic is within the terms of reference of the Special Officer recently appointed by Government to inquire into the whole question of Haj traffic?

(b) If the answer to part (a) be in the negative, will he please state why this question has not been included in the inquiry?

Mr. J. D. Tyson : (a) No

(b) The so called "rate-war" is governed by considerations which cannot properly be investigated by the Officer on Special Duty who is primarily concerned with matters relating to accommodation and administration.

BULLOCKMEN, ETC., EMPLOYED IN HORTICULTURAL DIVISION, CENTRAL PUBLIC WORKS DEPARTMENT

488. *Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Labour please state the number of bullockmen belonging to different communities who are employed in the Horticultural Division of the Central Public Works Department?

(b) Is it a fact that the number of these bullock men is reduced during the summer? If so, will he please state the number of bullockmen, belonging to different communities, whose services were retained during the last summer?

(c) Will the Honourable Member please state the number of *malis* and work-charged chowkidars transferred to and from the II Section of the Horticultural Division during the current year?

(d) How many of these were dismissed and why?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) Hindus 97 bullockmen, Muslims 12 bullockmen

(b) Yes, Hindus 90, Muslims 12

(c) Two Chowkidars were transferred to Section II and one *Mali* and three Chowkidars were transferred from that Section

(d) Two Chowkidars were dismissed One for neglect of duty and the other for unsatisfactory work and continued absence from duty without permission

Mr. M. S. Aney : Are bullockmen appointed on a communal basis?

(No reply)

DISTRIBUTION OF AREAS UNDER HORTICULTURAL DIVISION, CENTRAL PUBLIC WORKS DEPARTMENT.

489. *Mr. Muhammad Azhar Ali: (a) Will the Honourable Member for Labour please state how the areas under different subordinates are distributed in the Horticultural Division?

(b) Are the areas equally distributed? If not, why?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) The areas under different Subordinates are distributed according to the acreage, number of men employed in each area, importance of the plant life in the areas, capacity of the Subordinates who are placed in charge and compactness of the areas for purposes of administration

(b) No Conditions differ as stated in the reply to part (a)

RETRENCHED AND RE-EMPLOYED STAFF IN THE ARCHAEOLOGICAL DEPARTMENT

490. *Maulana Zafar Ali Khan: (a) Will the Secretary for Education, Health and Lands please place on the table of the House a statement showing

- (i) the number of employees of the Archaeological Department (Hindus and Muslims separately) who were retrenched on account of the Retrenchment Campaign of 1981, and
- (ii) the number of those who have been re-employed in that department since 1931 up to date in both temporary and permanent posts, separately?

(b) Is it a fact that there had been a temporary vacancy of a photographer in the Office of the Director General of Archaeology and that the Muslim retrenched photographer was not appointed to this vacancy, while in a temporary vacancy of the draftsman a retrenched Hindu draftsman has recently been appointed to that vacancy?

(c) What are the reasons for discrimination in employing retrenched hands of different communities?

Mr. J. D. Tyson : (a) (i) Out of 36 retrenched 22 were Hindus and 12 were Muslims

(ii) Three Hindus out of 22 have been re-employed,—one in a permanent vacancy, one in a temporary vacancy and one in a work charged post. Eight Muslims out of twelve have been re-employed,—six in permanent vacancies and two in work charged posts

(b) Yes.

(c) From the answer given to the second part of (a) of the question, the Honourable Member will see that the discrimination, if any, has not been against the Muslims.

Pandit Lakshmi Kanta Maitra : May I know, then, if it is the fear or criticism of the Muslims that discrimination has been made in the case?

Mr. J. D. Tyson : I do not admit that there has been any discrimination.

Pandit Lakshmi Kanta Maitra : From the reply given by the Honourable Member just now, does not the Honourable Member see that, in the case of re-

appointments, the just claims of Hindus have not been fully considered, as he says, only three out of twenty-two Hindus who had been retrenched have been re-employed, whereas, in the case of Muslims, eight have been re-employed out of twelve Muslims who had been retrenched ?

Mr. J. D. Tyson : The Honourable Member has quoted figures that I myself have given, and I stand by these figures, but I say that there has been no discrimination on communal grounds. A great variety of the posts is covered here and they have been mostly filled by circle superintendents, many of them on a temporary basis, and they took the men as the posts fell vacant.

Mr. Lalchand Navalrai : May I know why is it that this time there has been so much campaign against the Archaeological Department ?

Mr. President (The Honourable Sir Abdur Rahim) That does not arise.

COMPLAINTS CONCERNING THE PILGRIM SHIP "AKBAR" OF THE MOGUL LINE

491. *Maulana Zafar Ali Khan (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha) Will the Education Secretary please state if the attention of Government has been drawn to the two articles published in the *Din Dunia*, a weekly newspaper of Delhi, dated the 2nd March, 1941, on pages 9 and 32, wherein among many other complaints the following serious complaints regarding the pilgrim ship "Akbar" of the Mogul Line which sailed from Calcutta in November, 1940, are made and state

- (a) whether it is a fact that the steamer reached Jeddah from Calcutta in twenty-four days, if not, how many days she took to complete the voyage;
- (b) whether it is a fact that an aged Haji named Abdul Karim, from district Tripura, expired while inside a lavatory and that his corpse was not found and taken out from there till after three days of his death;
- (c) whether it is a fact that the food given to the pilgrims on board the ship was not only unwholesome, but also uneatable;
- (d) whether he is aware that the medical and hospital facilities on the ship were far from satisfactory, so much so that the pilgrims were afraid of getting their ailments attended to;
- (e) whether it is a fact that these complaints have already been made by the pilgrims to the Port Haj Committees of Bombay and Calcutta; and
- (f) if the answers to all or any of the above parts be in the affirmative, what action Government have taken against the Mogul Line in view of the seriousness of the matter and if they have not taken any action so far whether they propose to take any action shortly, if not, whether Government are prepared to investigate the matter thoroughly and lay the results of their investigations before this House ?

Mr. J. D. Tyson : (a)—(f) Government have seen the articles referred to and are making enquiries.

COMPLAINTS CONCERNING ARRANGEMENTS ON BOARD THE MOGUL LINE PILGRIM SHIPS.

492. *Maulana Zafar Ali Khan (on behalf of Khan Bahadur Shaikh Faiz-i-Haq Piracha) Will the Education Secretary please state if any further complaints regarding food or other arrangements on board the Mogul Line pilgrim ships this year have been received either by Government or any other Port Haj Committees? If so, will he state particulars of the same? If not, is he prepared to make inquiries and lay the results of the same on the table of this House?

Mr. J. D. Tyson : Government have not received any complaints so far, but these are usually received from the Port Haj Committees after the end of the pilgrim season. A statement giving particulars of all complaints of any importance will be laid on the table of the House

Mr. President (The Honourable Sir Abdur Rahim) The answer to question No 493 will be laid on the table as this question is in excess of the quota of five

PILGRIM SHIPS HAVING ARRANGEMENTS FOR CONGREGATIONAL PRAYERS AND A LIBRARY ON BOARD

†493. *Khan Bahadur Shaikh Faiz-i-Haq Piracha: Will the Education Secretary please refer to his reply to my starred question No 278 of the 6th March, 1941, and state

- (a) if it is not a fact that it was only after the advent of the Scindia Company in the Haj traffic that the Mogul Line provided on board its two ships, out of seven, special prayer decks and libraries,
- (b) if it is not a fact that the part of the deck which the Amirs-ul-Haj on the other five ships of the Mogul Line could set apart for prayers, as stated by the Education Secretary in his above referred to reply, is no other special deck but the same airing deck which is already measured for the pilgrims and which, if not measured, would have reduced the carrying capacity of the ships; and
- (c) whether the so-called special prayer decks on the s.s. "Rahmani" and s.s. "Rizwani" are not a part of the airing decks which are already measured for pilgrims?

Mr. J. D. Tyson : (a) and (b) Yes

(c) The special prayer decks on the s.s. "Rahmani" and s.s. "Rizwani" are in excess of the minimum upper deck space laid down in section 193 of the Indian Merchant Shipping Act, 1923

GOVERNMENT POLICY CONCERNING DEVELOPMENT OF INDIAN MERCANTILE MARINE.

494. *Mr. Akhil Chandra Datta: (a) With reference to the answer which the Honourable the Commerce Member gave to part (b) of my question No 289 put in this House on the 3rd March, 1941, will he be pleased to

† Answer to this question laid on the table, the questioner having exhausted his quota.

state what exactly the declared policy of the Government of India is for developing the Indian Mercantile Marine and what steps Government have taken to develop the Indian Mercantile Marine in the coastal and the overseas trades of India?

(b) What exactly do Government mean by the expression the "Indian Mercantile Marine"?

(c) By Indian Mercantile Marine do Government mean Indian shipping owned, controlled and managed by the nationals of the country?

(d) If not, will they be pleased to state what they exactly mean and why they do not accept this meaning of that expression?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) The policy of the Government of India with regard to the development of Indian Mercantile Marine is to give all possible and reasonable assistance to it. As regards the latter portion, the Honourable Member's attention is invited to the reply given by me on the 28th March, 1940, to Maulana Zafar Ali Khan's starred question No. 545

(b) and (c) By Indian Mercantile Marine Government mean all merchant shipping owned and controlled by Indian nationals

(d) Does not arise

POSTPONING TILL AFTER THE WAR OF BUILDING OPERATIONS ON THE DELHI IMPROVEMENT TRUST PLOTS.

495. *Bhai Parma Nand: (a) Has the attention of the Education Secretary been drawn to the news published in the *Statesman* of the 7th November, 1940, to the effect that the Delhi Municipality has decided that buildings on plots of lands purchased from the Municipality should be constructed within one year after the war instead of within one year of sale, because of the rise in the prices of building materials?

(b) If so, is the Delhi Improvement Trust also taking a similar decision in regard to plots of land under their control on which buildings have not yet been constructed? If not, why not?

(c) Have the Trust considered this question? If not, are Government prepared to instruct them to do so now? If not, why not?

(d) Are Government aware that by postponing the building operations, the capital thus saved will be available for investment in avenues of more urgent need in connection with war?

(e) Is it a fact that besides looking to building operations, the duty of the Trust is to improve the present sites and buildings, and are Government aware that if it is decided to stop building operations the Trust staff could be kept busy with improvement schemes in the existing areas on which buildings have already been built?

(f) Are Government now prepared to ask the Trust not to insist on any more building operations by lease-holders?

Mr. J. D. Tyson : The information has been called for and a reply will be furnished to the House when it is received

UNORTHODOX QUARTERS IN NEW DELHI AND PROVISION OF SEPARATE ENTRANCES FOR IRWIN ROAD QUARTERS.

496. *Bhai Parma Nand: (a) Will the Honourable the Labour Member please state the number of unorthodox quarters by categories separately, in New Delhi for the Government of India staff? What is the assessed rent for each category?

(b) Is it a fact that with the exception of some 40 quarters on the Irwin Road West, all the unorthodox quarters all over have separate entrances? If so, why is there no separate entrance provided for these 40 quarters?

(c) How many times has it been represented to Government to provide separate entrances on the Irwin Road, by the tenants by means of interpellations in this House and by the Imperial Secretariate Association?

(d) What are the grounds for not acceding to this request?

(e) Have Government estimated the cost of providing separate entrances for these quarters? If so, what is it? How many schemes for improvement of quarters costing much more per quarter than the amount for separate entrances per quarter on the Irwin Road, have been put through after the quarters were built?

(f) Are Government now prepared to provide separate entrances for the Irwin Road quarters? If so, when? If not, why not?

(g) Are Government aware of the inconvenience caused to tenants of these quarters by having a common entrance, and have Government satisfied themselves that common entrance is in the interest of neighbourly relations? If so, why are they having separate entrances in all other quarters?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) A statement giving the information is laid on the table.

(b) Yes. These quarters were constructed in the early days according to the old type plan.

(c) A representation was received from the Imperial Secretariat Association in 1929, and there were three questions on this subject in this House later.

(d) The advantage gained would be little in comparison with the expenditure involved.

(e) Separate gates and culverts, if provided for these quarters, are estimated to cost about Rs 13,000. A statement giving the information asked for in the latter portion of this part is laid on the table.

(f) No, in view of my reply to part (d).

(g) Government are not aware of any great inconvenience caused to tenants of these quarters by having a common entrance.

Statements.

Unorthodox Quarters in New Delhi

B	97	43	7	0
C	98	49	8	0
D	154	36	11	0

*Tenants are required to pay the standard rent or ten per cent of their monthly emoluments, whichever is less.

	Approximate cost	Rs
1. Providing W. B. Latrines in U. O. C. Quarters Class "B" on Irwin Road .		20,000
2. Providing attached kitchens in U. O. C. Quarters Class "B" on Irwin Road		24,400

Mr. M. S. Aney : With reference to the reply to part (e) of the question may I know how many houses will be served at the net cost of Rs 13,000 which the Honourable Member says will be required for building entrances to these houses?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : I must have notice of that question

Mr. Lalchand Navalrai : May I know if these entrances cannot be separated at the cost of a smaller amount of money than what the Honourable Member has quoted ? All that is asked is that only the entrances may be altered

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : The Public Works Department estimate is Rs 13,000 for this purpose

Mr. Lalchand Navalrai : Will the Honourable Member please see that these more or less adjoining quarters are occupied by people who are friends or relatives ? May I suggest that such arrangements might be made so as to obviate the difficulties of there being strangers occupying adjoining houses ?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : Last year I went round these quarters and inspected them I felt there was no great inconvenience caused by the present arrangement It has to be remembered that this arrangement is confined to unorthodox quarters , if people want to observe greater privacy, they are eligible to apply for orthodox quarters, where there is a special arrangement of this kind

Mr. Lalchand Navalrai : Have complaints been made by these tenants to say that they are inconvenienced or not ?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : A few complaints have been made, and it was on account of that that I made a personal visit to these quarters

EXTENSION OF THE SPECIAL PROVISIONS FOR COMPENSATION IN RESPECT OF WAR INJURIES AND WAR DAMAGE TO CERTAIN CATEGORIES OF EMPLOYEES.

497. *Mr. T. Chapman-Mortimer: (a) Will the Honourable the Labour Member be pleased to state whether the Government of India intend to extend to all persons to whom Workmen's Compensation Act applies special provisions for compensation in respect of war injuries and war damage to effects sustained during the war period comparable to the special provision recently made in the case of merchant sea-men?

(b) If the answer to part (a) be in the affirmative, will steps be taken to relieve employers of their legal obligation under the Workmen's Compensation Act in such cases?

(c) Will compensation be extended to employees of Indian Steamer Companies and to owners and employees in country boats operating in inland waters?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : The Government of India have not yet reached their final conclusions in the matter.

GOVERNMENT SCHOLARSHIPS OR HELP TO STUDENTS FOR SPECIAL TRAINING UNDER PORT TRUSTS

498. *Maulvi Muhammad Abdul Ghani (on behalf of Mr H A Sathar H Essak Sait) (a) Will the Education Secretary be pleased to state whether the Government of India grant scholarships or help students for special training under the Port Trusts?

(b) How many students receive such scholarships or help under each Port Trust?

(c) How many of them are Muslims?

(d) Are Government satisfied that the Mussalmans, as disclosed by these figures, receive their due share in this matter? If not, is the Honourable Member prepared to take necessary steps to see that a proper number of Mussalmans get help for this special training?

Mr. J. D. Tyson : (a) The Government of India in the Education, Health and Lands Department give scholarships and help students in respect of general education but not for special training under the Port Trusts

(b), (c) and (d) Do not arise.

INDIAN STORES DEPARTMENT ADVERTISEMENT INVITING APPLICATIONS FOR CERTAIN POSTS FROM MUSLIMS ONLY

499. *Bhai Parma Nand: (a) Will the Honourable the Leader of the House be pleased to state whether Government are aware that in the Advertisement Column of the *Statesman*, dated the 11th March, 1941, there appeared an advertisement on behalf of the Indian Stores Department inviting applications for Examiners of Stores (i) Mechanical, (ii) Textile, and (iii) Supervisors of Textiles, from Muslim candidates only?

(b) Will he please state why such applications are invited from Muslim candidates only to the exclusion of candidates of all other communities?

(c) If the reason for this be the shortage of communal proportion in service, will he be pleased to state the proportion of the respective communities in the departments for which these posts are advertised?

(d) If there is found a shortage in the proportion of other communities, do Government call for applications from the candidates of those communities alone?

The Honourable Sir Mohammad Zafrullah Khan . (a) Yes

(b) As the vacancies to be filled were reserved for members of the Muslim community, applications were invited from Muslim candidates only

(c) and (d) The communal ratio is fixed in accordance with the Home Department Resolution No F 14/17-B/33, dated the 4th July, 1934, a copy of which is in the Library of the House. This Resolution has allotted a specific quota to the Muslim community while the other minority communities have

been grouped together and given a separate quota. Sometimes when it is found that the Muslim community or the other minority communities as a group are not as well represented in a particular cadre as they should be in accordance with the orders referred to above, then applications are invited specifically from members of the Muslim community or other minority communities, as the case may be. Posts other than those reserved for minority communities are treated as "Unreserved", and, consequently, applications for such posts cannot be invited from the members of any particular community. They are open to all.

Mr. Lalchand Navalrai : May I know if the proportion of Muslims is increased, or reduced, if Hindus are appointed in their place to fill up the ratio?

The Honourable Sir Muhammad Zafrullah Khan : Where?

Mr. Lalchand Navalrai : In that Department

The Honourable Sir Muhammad Zafrullah Khan : I cannot answer that without notice, but the condition must have been attached because a sufficient number of Muslims had not already been recruited to these posts.

Mr. M. S. Aney : Will the Honourable Member be in a position to see what was the number of Hindus then and what was the amount of deficiency of the Muslims to make up the ratio?

The Honourable Sir Muhammad Zafrullah Khan : I am unable to say without notice.

INADEQUACY OF PILGRIM SHIPS FOR RETURN JOURNEY FROM JEDDA

500. *Mr. Umar Aly Shah: (a) Will the Secretary for Education, Health and Lands be pleased to state whether it is a fact that at the time of sailing of the s.s. "Alavi" from Jeddah on about the 26th February, 1940, with a full complement of pilgrims, about 100 pilgrims were left behind in Jeddah as there was no space or steamer available to bring them back? If not, what was the number of pilgrims left behind?

(b) Is it a fact that within three days of the sailing of the above ship, about 1,300 more pilgrims reached Jeddah? If not, what was the number of such pilgrims?

(c) Is it a fact that by the time the next ship sailed with the full complement of pilgrims who had already waited in Jeddah for about two weeks, about 800 more pilgrims were still waiting in Jeddah for a ship? If not, what was the number of pilgrims left behind after the sailing of this ship?

(d) Is it a fact that ultimately these pilgrims got a ship after a stay in Jeddah of about four to five weeks?

(e) Is it a fact that at the above time, when these pilgrims had to wait in Jeddah under unfavourable conditions for 35 to 40 days, the other ships of the Mogul Line were plying on other cargo and trade routes? If so, how many ships were plying on cargo runs and if any, where and on what run were they employed during the above period?

Mr. J. D. Tyson : (a) 487

(b) Yes

(c) Yes

- (d) The maximum period of stay at Jeddah did not exceed 27 days
 (e) I regret that in present circumstances I cannot supply information about the movements of ships, but I would remind the Honourable Member that the object of Government's intervention in the shipping arrangements for last year's pilgrimage was to prevent the uneconomical use of tonnage and to release as much tonnage as possible for other purposes

Maulvi Muhammad Abdul Ghani : May I know what is meant by "uneconomical use of tonnage"?

Mr. J. D. Tyson : Pilgrim ships going half-full—if the tonnage could be employed in carrying troops for the Far East or—this year—in bringing back Italian prisoners

INADEQUACY OF PILGRIM SHIPS FOR RETURN JOURNEY FROM JEDDA

501. *Mr. Umar Aly Shah : Will the Secretary for Education, Health and Lands please refer to the answer he gave to the starred question No 280 (h) of 6th March, 1941, and to state why the Central Government did not claim any amount on account of detention of pilgrims in Jeddah for more than the specified time, from the Mogul Line, as provided in section 209 A of the Indian Merchant Shipping Act, 1928?

Mr. J. D. Tyson : The question of making a claim against the shipping company was not considered as the company paid on their own initiative adequate amounts to detained pilgrims and in addition provided food for them

EXPENDITURE BY CENTRAL GOVERNMENT ON THE PORT HAJ COMMITTEES

†502. *Khan Bahadur Shaikh Fazl-i-Haq Piracha : Will the Secretary for Education, Health and Lands kindly state the amount spent by the Central Government from their own funds on the Port Haj Committees in the first year when they were established and how much money they propose to spend during the current year?

Mr. J. D. Tyson : The amount spent by Government in the first year was Rs 33,451. As regards the current year, the attention of the Honourable Member is invited to my reply to part (d) of Mr H M Abdullah's starred question No 446 on the 21st March

OLD GRAVEYARD FOR MUSLIMS ON MIRDARD ROAD, NEW DELHI

†503. *Khan Bahadur Shaikh Fazl-i-Haq Piracha : (a) Will the Honourable Member for Labour kindly state whether the old graveyard for Muslims on Mirdard Road, New Delhi, is unprotected and is defiled by washermen and stray cattle?

(b) Are Government prepared to take immediate steps for protecting its sanctity by erecting a suitable enclosure? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) and (b) There are three Muslim graveyards on the Mirdard Road and I am not aware to which one the Honourable Member is referring. All the three graveyards have been leased to the Jama Masjid Committee and it is perhaps for that body to consider the question of enclosing them, but I am making enquiries

† Answer to this question laid on the table, the questioner having exhausted his quota

RECONSTRUCTION OF THE MOSQUE ON THE CIRCULAR ROAD, NEW DELHI.

***504. Khan Bahadur Sheikh Fazl-i-Haq Piracha:** Will the Honourable the Labour Member please state whether a mosque found on the grassy ground on the Circular Road is without any walls and shed and that the praying public is much inconvenienced during heat and rains? Have Government received any application for its reconstruction? If not, do Government propose to sanction reconstruction? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : The matter is being looked into and the information required will be laid on the table of the House in due course

PAUCITY OF MUSLIMS IN THE STAFF OF THE IMPERIAL VETERINARY RESEARCH INSTITUTE

***505. *Maulvi Muhammad Abdul Ghani:** With reference to started questions Nos 141 to 153, asked by Haji Chaudhury Muhammad Ismail Khan on Monday, the 18th November, 1940, regarding the paucity of Muslims in the staff at Imperial Veterinary Research Institute, Muktesar, and its sub-station Izatnagar, and the replies thereto, will the Education Secretary please state

- (a) whether he is aware that the statement placed on the table of the House in reply to question No 141(a) shows that the number of Muslims in Veterinary staff is 16 out of 35 and that the Muslim percentage is 44.4, whether actually this percentage has been reached by including the number of dressers and that if dressers are excluded from the number the percentage of Muslims comes down to 12.1,
- (b) whether the Honourable Member is aware that according to the statement given in reply to question No 141(b), it comes out that since 1934 to 1936 permanent appointments were made for eight posts but, in spite of the paucity of Muslims, Muslims could get only one and that, too, in the third year, i.e., in 1936, in 1937, though two permanent appointments were made, yet no Muslim was appointed; in 1938 when six more appointments were made the Muslim community got only two, i.e., from 1934 to 1938 out of 16 appointments, the Muslim community got three only, and whether he will explain this;
- (c) whether the Honourable Member is aware of the effect of such method on the seniority and promotions of Muslims in the service, what the Honourable Member proposes to do so that in future such injustice may not be done to Mussalmans.
- (d) whether the statement supplied in reply to question No 142(a-b) includes the cases of those Muslims who were taken in for temporary and officiating jobs also; and
- (e) whether it is a fact that in letter No 81/6/39-Est (5), dated the 29th September, 1939, from the Home Department to Dr Sir Ziauddin Ahmad, a copy of which was sent to the Muslim League, Bareilly, the number of Muslim clerks is shown as six, while in reply to question No. 153(a) this number

† Answer to this question laid on the table, the questioner having exhausted his quota.

is given to be nine, whether the number of permanent clerks is increased from six to nine, or whether this number includes temporary or officiating clerks also?

Mr. J. D. Tyson : The information is being collected and a reply will be laid on the table of the House when the information is received

PAUCITY OF MUSLIMS IN THE STAFF OF THE IMPERIAL VETERINARY RESEARCH INSTITUTE.

506. *Mr. Umar Aly Shah: (a) With reference to starred questions Nos 141 to 153, asked by Haji Chaudhury Muhammad Ismail Khan on Monday the 18th November, 1940, regarding the staff at the Imperial Veterinary Research Institute, Mukteswar, and its sub-station, Izatnagar, and the replies to the said questions, will the Education Secretary please state, with reference to question 141(a), whether there are at present 15 Class I and 20 Class II officers in the said Institute and whether out of these 35 officers there are only 5 Muslims (2 in Class I and 3 in Class II), i.e., 14 3 per cent? If these figures are not correct, what is the correct number of officers in each of these services and how many of them are Muslims? How many posts in Class I and Class II are vacant and what is the sanctioned strength in each of these two classes? Separate figures may kindly be supplied

(b) Taking the above figures into consideration and in view of the low percentage of Muslims in these services, is the Honourable Member prepared to order the filling up of the above vacancies by Muslims alone?

Mr. J. D. Tyson : (a) A statement giving the desired information is laid on the table

(b) The posts require high technical qualifications and Government are therefore unable to confine recruitment to persons belonging to a particular community. They do, however, consider favourably cases of Muslim candidates provided that they find a place in the list of candidates recommended as suitable by the Federal Public Service Commission

Statement regarding Muslim representation in Class I and Class II posts at the Imperial Veterinary Research Institute

	Total number of sanctioned posts (including temporary posts in I.C.A.R. -chemex)	Number held by Muslims	Number vacant.
Class I	16		
Class II	22		

UNSTARRED QUESTIONS AND ANSWERS

TEMPORARY VACANCIES IN THE THIRD DIVISION CREATED IN CONNECTION WITH WAR AND FILLED DIRECTLY.

197. Sardar Sant Singh: (a) Will the Honourable Member for Labour please state the total number of temporary vacancies in the Third Division

created in connection with war and filled directly, viz., not through Home Department?

(b) How many of them are Hindus Sikhs and Muslims?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) Six.

(b) Hindus	3
Sikh	1
Muslims	2

STENOGRAPHERS IN THE SUPPLY DEPARTMENT

198. Sardar Sant Singh: (a) Will the Honourable the Leader of the House please state the number of stenographers in the Department of Supply (including Director General of Supplies) and how many of them are Sikhs?

(b) Is it a fact that vacancies of stenographers are filled after holding a test in stenography?

(c) How many tests have been held for recruitment of stenographers in the Supply Department?

(d) What was the number of candidates called at each test?

(e) Were these vacancies properly advertised or circulated? If so, will the Honourable Member kindly lay on the table of the House the circulars or advertisements that were issued?

(f) Is it a fact that no Sikh applicant was called to appear in a test for unreserved vacancies? If not, why not?

The Honourable Sir Muhammad Zafrullah Khan : (a) 27 of whom two are Sikhs

(b) Yes, but persons already employed as stenographers in other Government offices are sometimes appointed without a test

(c) There is no record of the actual number of tests held but tests are held very frequently

(d) The number of candidates called for each test varies and depends on the number of candidates available at the time

(e) Departments are usually circularised but so far there has been no occasion for advertising. The number of candidates is still sufficiently large to provide a wide selection

(f) Sikh applicants are regularly called for tests both for reserved and unreserved vacancies whenever suitable candidates are forthcoming

PROTEST AGAINST THE PROPOSED UNIVERSITY IN ASSAM

199. Maulvi Abdur Rasheed Chaudhury: (a) Will the Honourable the Leader of the House please state whether he has got a copy of the resolution passed at a meeting of the Assam University Opposition Committee, Sylhet, on the 23rd February, 1941, protesting against the proposed university in Assam?

(b) Is it a fact that when Sylhet was separated from Bengal in 1874, the Government of India gave a solemn assurance to the people of Sylhet that they would never be separated from Calcutta University?

(c) Do Government propose to exercise their influence and see that the question of establishment of a university in Assam is postponed till the people of Sylhet approve of the establishment of such a university, and failing that to see that Sylhet is retransferred to Bengal?

Mr. J. D. Tyson : (a) The Government of India have received a copy of the resolution

- (b) No such assurance is traceable
- (c) The matter is still under the consideration of the Provincial Legislature. The Government of India do not consider that any action on their part is called for.

UNION OF THE EMPLOYEES OF THE GOVERNMENT OF INDIA FORMS PRESS, ALIGARH.

200. Mr. N. M. Joshi: Will the Honourable the Labour Member be pleased to state

- (a) whether a union has been started by the employees of the Government of India Forms Press, Aligarh,
- (b) whether a resolution was passed by that union to affiliate it with the Government of India Press Workers' Union, New Delhi;
- (c) whether Government were approached for official recognition of that union, if so, with what result,
- (d) whether the Controller of Printing and Stationery, India, New Delhi, has issued orders to the Manager, Aligarh Press, to stop even the preliminary activities of the office-bearers of the Aligarh Press Union, and
- (e) whether the Manager of that Press issued letters to the Secretary of the Union asking for his explanation for collecting subscriptions, etc., for the said Union?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) and
(b). Yes.

(c) No specific request has so far been received from the newly formed Union.

(d) No.

(e) Yes.

AFFILIATION OF UNIONS TO THE GOVERNMENT OF INDIA PRESS WORKERS' UNION, NEW DELHI.

201. Mr. N. M. Joshi: Will the Honourable Member for Labour be pleased to state:

- (a) whether the Government of India Press Workers' Union, New Delhi, passed a resolution, deciding to affiliate to itself unions in other Provinces;

- (b) whether it applied to the Labour Department for the approval of such a course, if so, with what result, and
- (c) if the Labour Department disapproved of such a course, what were the reasons for their doing so?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) to (c). The Government of India Press Workers' Union, New Delhi, recently passed a resolution inserting in its rules certain new rules with the object of affiliating to it all Unions composed of industrial workers of Government of India Presses, Calcutta, Simla and Aligarh and other Government Press Workers' Unions. The proposed amendments to the rules of the New Delhi Press Workers' Union could not be accepted as they permitted of the affiliation of (1) Unions not yet recognised by Government and (2) Unions the members of which may have conditions of service different from those of employees of the Government of India Presses, e.g., establishments under the control of Provincial Governments to which the rules framed by the Government of India for recognition of Associations did not apply.

PAUCITY OF HINDUS AMONG CERTAIN STAFF OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI

202. Bhai Parma Nand: (a) Will the Honourable the Labour Member please state the total strength of Machine Room Staff, i.e., Machinemen, Machine Inkers, Hand Proof Pressmen and Fly-boys in the Government of India Press, New Delhi, with communal proportion before 1934?

(b) What was the total strength of Binders and Warehouse-men in the Government of India Press, New Delhi and the communal proportion before 1934?

(c) What has been the proportion of Hindus in each class of staff since 1934?

(d) Is it a fact that the communal proportion of Hindus was low? If so, what steps were taken to adjust the low percentage of Hindus?

(e) Were Government instructions regarding communal adjustment issued from time to time, complied with?

(f) If so, how much has the percentage of Hindus increased since 1934?

(g) Are Government prepared to pass specific orders to appoint Hindus in all the vacancies till the due percentage is secured?

(h) What are the orders of rotation and is any communal roster being maintained? If so is a copy of the same proposed to be placed on the table of the House?

(i) What are the specific reasons for appointing Muslims when a good number of trained Hindus have always been available and there was also paucity of Hindus among the staff?

(j) Are Government prepared to set up a Commission to investigate and enquire into the grievances of the Hindus?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) and (b) The information desired by the Honourable Member is not readily available and its compilation would entail time and labour disproportionate to the result

(c) No such information is maintained in respect of inferior servants like machine-inkers and fly-boys. Information regarding superior employees is available in the annual statements of communal composition, etc., of the Press, printed copies of which have been supplied to the Library of the Central Legislature.

(d), (e), (g) and (i) The instructions issued by Government regarding communal representation in services, which are being duly complied with in the Press, do not lay down any reservation for Hindus. It is, however, open to that community to secure 66 2/3 per cent of vacancies filled by direct recruitment in competition with other communities on merit. No preference can be shown to Hindus with a view to improving their generally low representation in the grades mentioned by the Honourable Member.

(f) A statement showing the increase in the percentage of Hindus in the permanent grades of (i) Machinemen and Hand Pressmen (ii) Binders, and (iii) Warehousemen on the 1st January, 1935, and the 1st January, 1941, is laid on the table.

(h) The order of rotation followed is that laid down by Government, viz.:

- 1 Unreserved
- 2 Muslim
- 3 Unreserved
- 4 Unreserved
- 5 Muslim.
- 6 Unreserved
- 7 Unreserved
- 8 Other minority community
- 9 Unreserved
- 10 Unreserved
- 11 Muslim
- 12 Unreserved.

Communal rosters for various categories of appointments in the Press are duly maintained. Government do not consider that any useful purpose will be served by furnishing a copy of the roster.

(j) In view of the reply given to parts (d), (e), (g) and (i), the question does not arise.

Statement showing the proportion of Appointments held by Hindus in the Permanent Grades of (i) Machinemen and Hand Pressmen, (ii) Binders and (iii) Warehousemen in the Government of India Press, New Delhi, on the 1st January, 1935 and the 1st January, 1941.

		Percentage of Hindus on 1-1-1935.	Percentage of Hindus on 1-1-1941	Increase in percentage of Hindus.
(i)	Machinemen and Hand Pressmen	24·0	26·9	2·9
(ii)	Binders	Nil	20·0	20·0
(iii)	Warehousemen	37·5	55·7	18·2

PAUCITY OF HINDUS AMONG CERTAIN STAFF OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI

203. Bhai Parma Nand: (a) Will the Honourable the Labour Member please state the number of permanent officers in the Machine Room of the Government of India Press, New Delhi, drawing Rs 50 and above and how many of them are Hindus?

(b) How many appointments of officers drawing Rs 50 and above were made since the promulgation of the Government of India's orders for communal adjustments?

(c) How many vacancies were filled after 1934 by direct recruitment, promotion and selection and how many of them have gone to Hindus?

(d) What are the specific reasons for appointing Muslims when a good number of qualified Hindus have always been available and there was also paucity of Hindus in the staff?

(e) If the percentage is lower than that contemplated in the Government of India Resolution of 1934, what steps do Government propose to take to make good the deficiency?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar. (a) 27 of whom six are Hindus

(b) and (c) Only two appointments were made of persons drawing Rs. 50 and above in the Machine Room since the promulgation of the orders regarding communal representation in services in 1934. None of these posts, both of which were filled by direct recruitment, went to Hindus.

(d) and (e). I would invite the attention of the Honourable Member to the answer given to parts (d), (e), (g) and (i) of his unstarred question No. 202 above.

REVISION OF THE SENIORITY LIST OF BINDERY AND WAREHOUSE STAFF OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI

204. Bhai Parma Nand: (a) Is the Honourable the Labour Member aware that some of the Hindu employees of the Bindery and Warehouse in the Government of India Press, New Delhi, are being subjected to differential treatment?

(b) Was the Seniority List of Bindery and Warehouse revised last year?

(c) What are the specific reasons for revising the seniority list after so many years?

(d) Were not a number of the Hindu employees reverted from their senior position after the lapse of ten years by revising the seniority list?

(e) Was not a similar case from the Reading Branch rejected on the plea of its being time-barred?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : (a) No.

(b) Yes.

(c) The seniority list was first prepared in 1937 and revised last year as 19 additional binders transferred from the piece to the salaried establishment had to be included in it.

- (d) Yes. The seniority of certain Hindu binders and warehousemen was affected
 (e) No

PAUCITY OF MUSLIMS IN THE STAFF OF THE IMPERIAL VETERINARY RESEARCH INSTITUTE.

205. Mr. Umar Aly Shah: (a) With reference to the reply to starred question No 144, parts (a), (b) and (c), asked by Haji Chaudhury Muhammad Ismail Khan on Monday, the 18th November, 1940, will the Education Secretary please state the exact dates of appointments of all the unqualified non-Muslim clerks at present employed in the Imperial Veterinary Research Institute?

(b) What were the actual designations of the posts to which these unqualified officials were originally appointed and what were the rates of pay when they were appointed?

(c) What are the rates of pay and the designations of the posts they are at present holding? What are the dates of their appointment to the present posts?

(d) Is the increase in the rate of pay and change of designation not considered a new appointment and promotion?

(e) Is it a fact that Government had issued an order that unqualified persons, i.e., those not possessing matriculation or equivalent qualifications making one eligible to join a college, should not be taken in ministerial staff?

(f) If so, when were these orders passed?

(g) In view of the above orders, are these appointments not in contravention of those orders?

(h) Were Muslim qualified candidates not available?

(i) Was any attempt made to secure them?

(j) What are the specific reasons for promoting these qualified persons to higher scales in preference to qualified Muslims?

(k) Were no qualified Muslim clerks available for promotion or appointment to the above posts? If so, will the Education Secretary please state their number, and their last and present appointments and the rates of pay?

(l) What action do Government propose to take to set right the wrong done in this direction?

(m) Is the Education Secretary aware of the orders issued by the Government of India in 1925? Is it a fact that according to these orders, 33 per cent of the posts were reserved for Muslims? If so, were any steps taken by the Department to comply with these orders in full?

Mr. J. D. Tyson: The information asked for is being collected and a reply will be laid on the table of the House when the information is received.

MUSLIM PERCENTAGE IN THE IMPERIAL COUNCIL OF AGRICULTURAL RESEARCH SCHEMES.

206. Mr. Umar Aly Shah: With reference to the reply to starred question No 141 (f), asked by Haji Chaudhury Muhammad Ismail Khan on

Monday, the 18th November, 1940, will the Education Secretary state the total strength of the Imperial Council of Agricultural Research Schemes in which the Muslim percentage is 75 per cent ?

Mr. J. D. Tyson : The information asked for is being collected and a reply will be laid on the table of the House when the information is received.

PERMANENT MUSLIM VETERINARY INSPECTORS IN THE IMPERIAL VETERINARY RESEARCH INSTITUTE

207. Mr. Umar Aly Shah: With reference to the reply to starred question No 152 put by Haji Chaudhury Muhammad Ismail Khan, on Monday, the 18th November, 1940 will the Education Secretary please state how many Veterinary Inspectors were confirmed after the issue of the orders regarding communal representation in July 1934, and if any permanent appointments were made after this date, why Muslims were eliminated from this branch of service?

Mr. J. D. Tyson : The information asked for is being collected and a reply will be laid on the table of the House when the information is received.

Mr. President (The Honourable Sir Abdur Rahim) I understand that Sardar Sant Singh has given notice of a motion for adjournment As it was received after 11 o'clock, it cannot be taken up today

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF LABOUR

Mr. President (The Honourable Sir Abdur Rahim) I have to inform the Assembly that upto 12 Noon on Wednesday, the 19th March, 1941, the time fixed for receiving nominations for the Standing Committee for the Labour Department five nominations were received Subsequently two members withdrew their candidature As the number of remaining candidates is equal to the number of vacancies, I declare Maulvi Muhammad Abdul Ghani, Mr N M Joshi and Mr C C Miller to be duly elected

MESSAGE FROM THE COUNCIL OF STATE.

Secretary of the Assembly : Sir, the following Message has been received from the Council of State .

"I am directed to inform the Legislative Assembly that the following motion was passed in the Council of State at its meeting held on Monday, the 24th March, 1941, and to request the concurrence of the Legislative Assembly in the said motion

'That this Council do recommend to the Legislative Assembly that the Bill to make better provision for the administration of Masjid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi be referred to a Joint Committee of this Council and of the Legislative Assembly and that the Joint Committee to consist of 12 members'"

RESOLUTION RE RECOGNITION OF UNIONS OF GOVERNMENT EMPLOYEES —*contd*

Mr. President (The Honourable Sir Abdur Rahim) The House will now resume consideration of the following Resolution moved by Mr H M. Abdullah on the 20th February, 1941.

"That this Assembly recommends to the Governor General in Council that the present discriminatory policy of Government as regards the recognition of so called communal unions of Government employees and non recognition of the so called communal unions of Government employees should be abandoned forthwith and unions of employees belonging to any one particular section or community should be officially recognised."

Mr. N. M. Joshi (Nominated Non-Official) Mr President, I rise to oppose this Resolution. You know, Sir, in this House I have consistently sympathised with the demands of the minority communities that their interests should be safeguarded. I believe that the majority community in this country ought to make large sacrifices in order to secure the confidence of the minority communities. But, Sir, I cannot support the Resolution which has been promoted by the members of the Muslim League asking for recognition of the unions of Government employees from the Government of India. In order to understand thoroughly and in order to come to a right decision on this subject, we must know what a trade union is and what are the functions of a trade union. A trade union is an organisation of an economic class, namely, the class of employees. Its function is to protect the interests of that class, generally the economic interests of that class. Such an organisation, in my judgment, need not be communal and cannot, consistently with the interests of the class for which these organisations are intended, be communal. There is no clash of interests between the employees of Government who are either Hindus or Muhammadans. The rates of wages or salaries, the leave rules and the rules regarding pension are the same both for the Hindus and the Mussalmans. There is no discrimination made between the Hindus and the Mu-salmans regarding the rates of salaries paid, regarding the leave granted and regarding the pension provided. In order that the Government employees should secure improvement in their condition, it is necessary that their organisation should be strong and I feel that communal organisations of Government employees will weaken their cause. Their cause will suffer and they will not be able to exert the same influence and pressure upon Government when they ask for improvement in their condition. Some classes of Government employees will sometimes have to resort to what we call "strikes" and communal organisations will certainly not only not be useful, but will be injurious to the interests of the Government employees whether they are Hindus or Mussalmans. Multiplicity of organisations in any Department of Government will lead to weakness of the employees, and such multiplicity will be against the interests of the Government employees. I, therefore, feel that if this question is considered impartially and without any prejudice, it should not be difficult to come to the conclusion that recognition by Government of communal unions will be harmful to the interests of the employees of Government whether they are Hindus or Mussalmans. Sir, the communal unions, as I have stated, are not needed, because there is no clash of interests. The interests of the Hindus and the Muhammadans are the same.

Mr. Muhammad Nauman (Patna and Chota Nagpur cum Orissa Muhammadan) Are they not the same in politics?

Mr. N. M. Joshi : I shall come to that

(1925)

[Mr N. M. Joshi.]

As there is no discrimination, they are not needed. And if they want to improve their condition, they will require strength, and communal unions will go against their strength. Many arguments have been used by the speakers who have spoken on this question in favour of communal unions. One of their arguments is that the Government of India observe the communal ratio in the matter of recruitment. Well, Sir, the Government of India, in my judgment, have wrongly accepted the principle that there should be a communal proportion in the matter of recruitment. But the question of recruitment and the question of improving the conditions of life and work of Government employees are two different questions. A trade union does not at present engage itself in the matter of recruitment, and I am quite sure the Government of India are not going to leave the question of recruitment in the hands of trade unions. A trade union deals with those people who are already recruited. Therefore, the argument that Government observe certain communal proportions between different communities in the matter of recruitment does not support the claim for separate communal unions in respect of those people who are already employed.

Then, Sir, we were told that the Muslim community is a nation, that the Muslim community is a separate nation, that the Muslim community has a distinct separate world of its own—these are not relevant to the consideration of this question at all. It was said that the Muslim community consists of people who always feel all the twenty-four hours of the day, all the days of the month and all the months of the year that they are Muslims. They never forget that they are Muslims. I do not know about that, but I can tell you this that if a Government employee does not forget that he is a Muslim while doing his duty, he is not fit to be a Government employee.

Sir Syed Raza Ali (Cities of the United Provinces : Muhammadan Urban) Let them all be dismissed.

Mr. N. M. Joshi : A Muslim may be a Judge, but while trying a case, if he does not forget that he is a Muslim, he is not fit to be a Judge. Take the railwaymen whose question you have been considering on the discussion of this Resolution. If a clerk whose business is to issue tickets does not forget, while doing his duty of issuing his tickets, that he is a Muslim, in my judgment he is not fit to be even that clerk issuing tickets to passengers.

Sir Syed Raza Ali : Why should he forget?

Mr. N. M. Joshi : He must forget, because he has to do his duty impartially. He cannot show partiality to a Muslim while doing his duty. Similarly, a Judge cannot show special sympathy to a Muslim client simply because he is a Muslim judge and he is trying the case of a Muslim client.

Maulana Zafar Ali Khan (East Central Punjab Muhammadan) : May I remind my Honourable friend

Mr. President ((The Honourable Sir Abdur Rahim). The Honourable Member is not giving way. The Honourable Member will have his own turn.

Mr. N. M. Joshi : I, therefore, feel, Sir, that in the Government service there is no separate class as Muslim employees and there cannot be a separate class of Muslim Government employees. There can be only one class, namely, that of Government employees.

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Then, Sir, it seems to me, after reading the speeches that this demand is due to the fact that in the general labour movement, and especially in some of the trade unions of Government employees, the number of people who take part in the movement, who guide the movement consists predominantly of Hindus. This dissatisfaction is claimed to be based upon the fact that smaller number of Muslims are found in the managing committees of trade unions, among the presidents and office bearers of trade unions and even among members of the trade unions. In the first place, it is not a fact that the Muslims do not take part in the trade union movement of this country. I know very prominent Muslims who have taken part in the trade union movement of this country. Mr. Daood and Mr. Aftab Ali of Calcutta, Mrs. Chand Bibi of Delhi, Mr. M. A. Khan of Lahore and many others.

Sir Syed Raza Ali : Just as some Muslims are found taking part in the Congress movement.

Mr. N. M. Joshi : There are so many Muslims who have taken part, taken a very great and distinguished part in the trade union movement of this country. But I am prepared to admit that if you take the trade union movement as a whole, the number of Muslims who take part in the trade union movement as compared with the Hindus is small.

Mr. Muhammad Nauman : We will have to remain small for all times.

Mr. N. M. Joshi : We cannot help that. It is for the Muslims to think how their population in this country should increase, or if the population cannot increase by ordinary methods, how conversion should be made.

Mr. Muhammad Nauman : But you are against conversion.

Mr. N. M. Joshi : It is not for me to say anything on the subject of how to increase the Muslim population. I am prepared to admit that the number of Muslims who take prominent part in the trade union movement in this country is smaller, but the reason for that is that the Muslim community, as a whole, is unfortunately backward in education, and the number of people who take part in public movements is, therefore, less than the number of people from the Hindu community who take part in the public movements. Then, Sir, the Muslims have got seats reserved in the Government employment. They have got seats reserved in the Legislature, with the result that the number of people who are available for public work is smaller. Not only that, the trade union work is not a work for which there are prizes like political work. Trade union work is a work where you have to make sacrifices without expecting any prizes, and naturally the number of people among Muslims who take part in trade union movements are smaller. It is easy at present for a Muslim to get jobs in the Government service and rise high in politics, and that is the reason why the Muslims are not attracted to the trade union movement. Not only that, the Muslim League, if it wants its young men to take part in the labour movement, must itself show that it cares for the interest of the working classes in this country. If the Muslim League Party in this House supports the cause of labour, young men outside will feel attracted, young men will feel it their duty that they must follow their leaders in supporting the cause of labour. What do I find? In this House my experience is that whenever we had discussion on labour questions and I had moved amendments in favour of labour, the Muslim League Party had generally opposed my amendments.

Some Honourable Members : No, no

Sir Syed Raza Ali : Cite some cases

Mr. N. M. Joshi : The proceedings of the Legislative Assembly will provide all the cases that the Honourable Member wants. I am not going to waste the time of the House over this question. It is a patently admitted question.

Mr. Muhammad Nauman : It is a great reflection on the Party

Mr. N. M. Joshi : It is a reflection. Sir,

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member must refrain from casting any reflection

Mr. N. M. Joshi : I am not casting any reflection. I am only suggesting that the Muslim masses in this country are in a very unfortunate position

Mr. Muhammad Nauman : They are not

Mr. N. M. Joshi : Their political leaders do not support them. I can give you a personal experience of mine in Bombay. About the year 1928, we had a strike in Bombay and I happened to be the President of a Union.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member's time is up

Mr. N. M. Joshi : I am sorry, Sir, that my time is up. The subject is a very vast one, but the time at my disposal is very short. But before I sit down, I would suggest to my colleagues of the Muslim League Party that the Resolution which they have promoted is not in the best interest of the Muslim employees in the Government of India.

Sir Syed Raza Ali : You know that best.

Mr. N. M. Joshi : They know best, not you. Once I asked my Honourable friend, Dr. Sir Ziauddin Ahmad, to hold a meeting of the Muslim workers and to find out whether the attitude he had taken up on some labour questions was right or not. He could not accept my challenge.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member must conclude his speech

Mr. N. M. Joshi : Sir, I oppose the Resolution

Maulvi Muhammad Abdul Ghani (Tirhoot Division Muhammadian) : Sir, when one looks to one's own self-interest he is never prepared to consider the inconvenience of others, and such is the case with my Honourable friend, Mr. Joshi. The point here is that Muslims should be given some opportunity to get their grievances redressed. They do not get sufficient opportunities in the so-called national unions and, therefore, they claim that they should be given representation in a particular union in which the voice of the Muslim employees will predominate. Two Departments have the largest number of employees and I find that they have a number of unions. I will first take up the Posts and Telegraphs Department where there are eleven unions. We will see

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there the difficulties of the Muslim employees. There are several kinds of posts in this Department. The first is the gazetted rank, where the representation of Muslims is only 10.3 per cent, then the non-gazetted second class service where the representation of Muslims is 4.2 per cent, and in the third class which is a little less vocal the percentage of Muslims is 4.1. Therefore, the percentage of Muslim employees is insignificant and having regard to their numbers they cannot be given more seats. Similarly, with regard to the railway unions. There in the gazetted service, in 1940 on Company-managed and State Railways out of a total of 1,737, the Muslims were 132, so their percentage in the gazetted posts is 7.6. And in the less vocal section, i.e., employees getting salaries up to Rs 250, the percentage of Muslims is 6.3. These are the two classes in the Railway Department where the officers or employees are more vocal, and there the percentage of Muslims is very insignificant. Thus the vocal section of Muslim employees here too has every chance of being debarred. As regards the permanent inferior classes the number of Muslims in Posts and Telegraphs offices is 18,689 out of a total of 80,578, permanent Staff, according to the report of 1939-40. In the railways the total number is 7,01,307 and the number of Muslims is 1,57,500, i.e., 24.8 per cent. If you exclude the more vocal section the number of Muslims is even then comparatively fair. Does my Honourable friend, Mr. Joshi, want that the less vocal section of Muslim employees should not be given any opportunity to have their grievances redressed? This is the case with the so-called Indian National Congress where their quota is fixed. No Muslim howsoever great services he may have rendered to the country can get any greater representation.

Mr. M. S. Aney (Berar Non-Muhammadan) They may get as much as they like

Maulvi Muhammad Abdul Ghani : I have been there for ten years and I know it well. I want the freedom of the country and so I was there but finding that there is no love there for the freedom of the country I left it. Mr. Gandhi expressed his view which was published in the *Statesman* of 26th October, 1939, Calcutta edition that if the Britishers will sever their connection what will happen? The Punjabis and the Gurkhas will overrun the whole country, as if the Punjabis are not men of this country. That is the view of the high command of the Congress. Therefore Muslims feel that if they remain there they will have no chance to work for the freedom of the country.

The claim for Muslim unions is opposed on the ground that communalism should not spread everywhere, Sir, there is representation given to universities, landlords, labour and commerce. They are equally communal but they are not called communal because it suits my friends' purposes. My friend, Mr. Joshi, said that the leaders of the Muslim community should take steps for the spread of education among Muslims. Sir, there is a University Amendment Bill before the House and Muslims want their education to spread unfettered, but if you look to the opinions you will find that under various pretexts that progress is sought to be retarded.

Pandit Lakshmi Kanta Maitra (Presidency Division Non-Muhammadan Rural) If it is communal education we must oppose it

Maulvi Muhammad Abdul Ghani : No question of communal education. The Aligarh University is a national University and hundreds of Sikhs and other Hindus are being educated there.

[**Maulvi Muhammad Abdul Ghani**]

I have urged this, not on communal grounds, but on the ground that the vocal section of Muslim employees are very few and their voice is not felt in the unions which are preponderantly composed of Hindus I find from the Postal and Telegraph Report that out of 1,80,020 employees, there are 38,435 members, that means 21.5 per cent. The rest of the employees, say 67.5 per cent, are not represented on the postal unions which number 11. What is the remedy to have their voice heard? The majority of them are not members of the unions Why?

Mr. M. S. Aney : Because you ask them not to become members (Interruption)

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member should not be interrupted

Maulvi Muhammad Abdul Ghani : I say that when 68 per cent have got no voice and are not members of the unions, something should be done for the representation of such a percentage as 68 Lots of people are not represented, the vocal sections are there and they are commanding everything The non-vocal section has got no voice. The Resolution only demands that the non-vocal section should be given a platform from where they can ventilate their grievances I think the demand is a very simple one and it should not be opposed and it should not be said that we are demanding on communal lines It is not demanding on communal lines The Muslims are a nation it is demanded on national lines A nation demands it It is not a group demand like landlords, like labour or commerce it is demanded by a nation and I think this demand will have to be acceded to

Mr. P. J. Griffiths (Assam European) Mr President, it is with considerable reluctance that I rise to take part in this debate on a subject which involves a communal issue, for we know from past experience that the outcome of such debates tends to be evil rather than good But as one who represents a large industry which employs a vast labour force, I cannot remain indifferent to a Resolution, the principle underlying which is not only unsound in itself, but also by its logical extension to the industrial sphere, fraught with the greatest possible danger to the proper development of organised labour in this country It is true that in its specific terms the Resolution deals only with unions of Government employees But some of the speeches made on the last day made it abundantly clear that the principle underlying that Resolution was a wide principle, a principle not indeed intended to be confined to Government employees unions, but susceptible of application to unions of all classes, and indeed, whatever might be in the mind of the Honourable the mover of this Resolution, once this principle of communal unions is accepted, it must of necessity spread from Government employees unions to the general industrial sphere, and it is with particular reference to that aspect of the matter that I want to make a few remarks today As one who himself belongs to a minority community, I am bound to sympathise

Mr. Muhammad Nauman : The rulers' community, unfortunately

Mr. P. J. Griffiths : I do not propose to be drawn into political disquisitions but to confine myself to the main theme of the present debate As one who belongs to a minority community, I fully realise the need and the demand of other minority communities for protection in various spheres of life; and I fully recognise that in some spheres of life that protection must

take the form of separate representation. But when I address myself to the question as to whether separate representation in the industrial or in any other sphere is necessary for minorities or not, I begin by suggesting two criteria. I begin by asking myself, first, is there in fact any conflict of interests between the minority and the majority communities with regard to the particular matter under discussion? And then I go on to ask myself the question, even if there is no conflict of interests, is it in fact the case that there is serious danger of discrimination in practice against the minority community? And if I found either of those two conditions satisfied in any particular case, I should be quite willing to admit either in the political or in the industrial sphere the need for separate representation. But when I apply those two criteria to the case which we are now considering, the need for communal trade unions, I can find no facts whatsoever which will justify a claim for such separate unions.

Let me take the first criterion. Are there differences between the interests of Hindus and Muslims in regard to the matters with which trade unions deal? What after all are the matters with which a trade union is concerned? Primarily, wages, hours and amenities. Is there in fact any difference between the desire of the Muslims and the desire of the Hindus in the matter of wages, hours and the general conditions of labour? Is it a fact that the Muslim demands more pay than the Hindu or that the Hindu demands shorter hours of work than the Muslim? I challenge my Honourable friends to show me a single instance of any one thing within the proper scope and function of trade unionism in regard to which the interests of Hindus and Muslims are in any way fundamentally different

Mr. Muhammad Nauman : In the matter of leave and *juma* prayers *Ramzan*, etc., etc.

Mr. P. J. Griffiths : If my Honourable friend wishes to suggest that one of the main functions of a trade union is to consider the exact intervals in the course of the day in which people should be allowed to go for refreshments or prayers and for any other purpose, I would suggest that my honourable friend has not yet begun to learn the very meaning and the objects of trade unionism. I suggest that in these days.

Maulvi Muhammad Abdul Ghani : You are only the student.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member ought not to go on interrupting like that.

Mr. P. J. Griffiths : In so far as the objects of trade unionism are accepted all over the world, there is not one single matter in regard to which there is any difference of interest between Hindu and Muslim employees. And so I pass on to my second criterion.

In the absence of communal unions, is there any serious danger of any intelligent employer, whether Government or industrialist or a private employer, discriminating deliberately against particular sections of his employees? In this House from time to time we are told a great deal about the vices and demerits of the employing classes; but one thing which is constantly rubbed into us is that they pay continual attention to their own selfish interests. . . .

Syed Ghulam Bhik Nairang (East Punjab: Muhammadan) : May I rise to a point of order? It appears to me that the Honourable speaker is travelling beyond the scope of the Resolution. The Resolution is confined

[Syed Ghulam Bhuk Nairang]

to so-called common unions of Government employees and he is taking us into trade unions and labour unions and all that in industry This is going beyond the scope of the Resolution

Mr. P. J. Griffiths : I would submit, Sir, that in the first place the matter was already taken beyond the scope of the Resolution by my friend, Mr Nauman, on the last occasion .

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member can refer to trade unions in industry which are not the concern Government only by way of illustration, and no further

Mr. P. J. Griffiths : Yes, Sir Let me make my position quite clear
 12 Noon What I was really trying to do was to illustrate
 by reference to the industrial sphere, the way in
 which this principle of communal trade unions—a principle which we
 dare not accept—is sought to be brought in and in continuation of
 my illustration I say that no intelligent employer including the Govern-
 ment, and including the particular case which we are now discussing,
 can possibly embark upon a policy of discrimination against one
 section or other of his employees Which way would he discriminate ?
 Would he be inclined to give one section of his employees conditions better
 than those justified by ordinary economic considerations ? Is it likely that
 he will do that and thereby run the risk of having the level of wages forced
 up for other sections of his employees also ? On the other hand, would any
 intelligent employer—including the Government, strange as it may seem—
 would any intelligent employer run the risk of deliberately depressing condi-
 tions for one particular section of his employees and thereby set up within the
 sphere of his employees such friction as to make it impossible to carry on the
 work of industrial concerns ? Would any such policy be compatible with
 any reasonable degree of intelligence on the part of any employer ? And so
 I suggest that when you apply either of my two criteria, you are led inevitably
 to the conclusion that as long as trade unions are restricting themselves to their
 proper scope and functions and are not trying to usurp powers which belong
 to the Legislature, so long as they confine themselves to their own duties, there
 can be no case whatsoever for separate union representation of the different
 communities in industry

What I suspect is that the object behind this Resolution is not to enable
 trade unions to deal with these matters which properly appertain to them, but
 rather to enable trade unions to press the claims of particular communities for
 particular proportions of employment,—in the present case in Government—
 and, subsequently, in industrial sphere, and I maintain with all the force at
 my command, that however right and proper it may be, and indeed is, that
 such claims should be made in the proper forum,—the place where such claims
 should be made is in this House and in the Provincial Assemblies, and not in
 the course of the carrying out of the day to day duties of Trade Unions If you
 begin by introducing into Trade Unionism this practice, which in other coun-
 tries has not been adopted, the only effect will be that you will wreck the trade
 union movement in its infancy upon the rock of communalism Sir, my friend,
 Mr Abdullah, in moving his Resolution tried to suggest that communal unions
 were the logical outcome of the separate treatment accorded to Muslims in
 every Department of Governmental life He says that so far as the Govern-
 ment services are concerned, Muslims are registered separately for purposes of

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recruitment, in fact ever since the birth of a Muslim child, he is registered as a Muslim in the Muslim records, he is brought up in a Muslim home, he is educated in Muslim schools, and he is recruited as a Muslim candidate. Of course, Sir, Muslims are classed separately for purposes of recruitment, for no one in this House denies the just claims of minority communities in certain proportions, but there is no discrimination in favour of Muslims against Hindus or in favour of Hindus against Muslims with regard to wages, hours of work and so on.

Mr. Muhammad Nauman : What about Anglo-Indians?

Mr. P. J. Griffiths : My friend is presenting me with an argument. He is pointing out the advantages which the Anglo-Indian community have gained, not as a result of the formation of separate unions, but for quite different historical reasons, which will tend to show that the community has been able to secure representation of their interests without the formation of separate communal trade unions. I suggest, Sir, that it is really quite irrelevant and almost unfair to import into the present discussion regarding trade unions, arguments relating to the rights of different communities with regard to recruitment. Mr. Abdullah says somewhere in his speech that Mr. Jamnadas Mehta cannot possibly represent Muslim interests. He did not bother to tell us why I would like to know, of all the things with which a trade union is concerned, which is the one with regard to which my friend, Mr. Jamnadas Mehta, cannot represent the Muslims?

An Honourable Member : He cannot represent the Muslims as far as..

Mr. P. J. Griffiths : Is it the suggestion that Mr. Jamnadas Mehta cannot represent their views with regard to wages, with regard to hours of work? Looking at this question as an outsider, I should have said that Mr. Jamnadas Mehta was from an employer's point of view only too capable of representing both.

Now, Sir, I pass on to the positive side of the argument. So far, I have used the negative argument, but my positive argument is this, that the setting up of communal unions is going right against the whole principle of trade unionism. Read the history of trade unionism in England. What was the object with which it was founded? What are the conditions under which it achieved success? It achieved success because it recognised the solidarity of the working classes, and realised that the only hope, the only chance, for the working classes of any country to obtain improvements in their standards of living was the avoidance of purely sectional action.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions: Muhammadan Rural). Can the Honourable Member give me the example of any country outside England where communal unions do not exist?

Mr. P. J. Griffiths : With the possible exception of Russia, can the Honourable gentleman give me the example of any country where the trade union movement has done so much for the working classes as it has in fact in Britain? And because of its essential recognition of the consolidation of the working classes and because it has refused to recognise sectional interests, the Trade Union movement in Britain has in fact been a God-send to the working classes.

[Mr P. J Griffiths]

My friend, Mr Nauman, in one place in his speech said after all, what does it matter if we have rival unions why should there not be two, three or ten unions? I do not know if my friend has ever had any experience of the working of rival unions in practice? But if he had time to spare in the recess, I would recommend him to pay a visit to Ceylon and go round the tea estates in that unfortunate land and discover for himself the intense harm which is being caused by the existence of two or three unions on every separate estate

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member's time is up

Mr. P. J. Griffiths : He will see for himself that the existence of rival unions has led to irresponsible demands and has in fact weakened the cause of the workers I appeal to my friends, in conclusion By all means let them defend their reasonable rights as a minority, let them defend them in this Assembly and in the Provincial Assemblies, but in the interests of the healthy development of trade unionism, let them, for Heaven's sake, refrain from introducing this communal principle into what is meant to be a movement for the regeneration and the improvement of the working classes of this great country Sir, I oppose the Resolution

Mr. Jamnadas M. Mehta : (Bombay Central Division Non-Muhammadan Rural). Sir, I rise to oppose this Resolution, and I am sure that, when I state my reasons for doing so, my friend, the Mover, will withdraw it I am sure that the case which I shall make out is so irresistible that my friend will not press his Resolution at all Now, Sir, the Resolution as it stands is totally misconceived It is self-contradictory and betrays an amazing amount of ignorance of the nature and functions of trade unionism

Syed Ghulam Bhik Nairang : May I again protest, Sir, that Trade Unions are not the subject matter of this Resolution?

Mr. Jamnadas M. Mehta : I am not giving place.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member should confine himself to the union of employees under Government.

Mr. Jamnadas M. Mehta : When certain Honourable gentlemen have gone into figures of employment on railways in the discussion, I may certainly be allowed to state that this Resolution is definitely against the interests of the Muslim masses, as I shall presently show.

What is my friend's grievance in his Resolution? His grievance is that by not recognising communal unions the Government are discriminating. I think this is an absurd statement. The Government are not discriminating, but it is the Mover of the Resolution and his supporters who want that there should be discrimination, and, therefore, the Resolution is itself self-contradictory. The Government say—we shall not discriminate between an employee and an employee, whatever section he may belong to,—but my friends say—do discriminate between employees and employees Therefore, fundamentally the Resolution is self-contradictory Then, again, what is the grievance? My friend, Mr Griffiths, mentioned one grievance. The other grievance is that the Muslims are allowed to sit here in a separate body. What has that to do with his? They have chosen to sit separately, or they are allowed to so sit, but that is no reason why that principle should be extended to trade unions. They are separately counted in the census—they must be so

counted, because we should know what are the numbers of the different communities in this country. But if it be said, as it is said, they must have separatism even in the trade union movement, because Muslims object and say, the Muslims are a nation, then I think that proposition cannot be granted. It will be a reflection on themselves, it will be a reflection on my Honourable friend, Sir Syed Raza Ali. When he went to Africa as the champion of the Indians as against the white settlers there, did he remember only the Muslims? Let him speak out. Is it contended that the Honourable the Leader of the House in discharging his duties is always discriminating between Hindus and Muslims, and is it—worse still—contended that this Honourable Chair ..

. Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had better confine himself to the wording of the Resolution. If the Honourable Member brings in personalities here, there will be no end of discussion.

Mr. Jamnadas M. Mehta : I blame those whose Resolution is an indirect reflection on this Honourable Chair. That is what I will say.

Members on the Muslim League Party : No, no

Mr. Jamnadas M. Mehta : It is a reflection, however indirect it may be, on this Honourable Chair.

Sir Syed Raza Ali : It is a perverse argument

Mr. Jamnadas M. Mehta : I repudiate it (Interruptions)

Mr. President (The Honourable Sir Abdur Rahim) Order, order. What does the Honourable Member mean by that?

Mr. Jamnadas M. Mehta : If they say a Mussalman is a Mussalman wherever he is, I say, as judge, as Leader of this House, as the President of this House, a Mussalman is not a Mussalman as such, but an Indian.

Mr. President (The Honourable Sir Abdur Rahim) That question does not arise here.

Mr. Jamnadas M. Mehta : It arises from their statement

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must confine himself to the Resolution itself and must not make personal reference.

Mr. Jamnadas M. Mehta : However, I shall not amplify that argument.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must confine himself to the Resolution. He must not illustrate his arguments by personal reference.

Mr. Jamnadas M. Mehta : I shall not.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member must not travel outside the Resolution.

Mr. Jamnadas M. Mehta : I agree that I shall not.

[**Mr. Jamnadas M. Mehta.**]

Then, I find that, during the last debate in this House, my Honourable friend, the Mover of this Resolution, and my Honourable friends, Sir Henry Gidney and Mr. Nauman, personally criticised me.

Mr. Muhammad Nauman : I did not criticise you.

Mr. Jamnadas M. Mehta : I beg your pardon. ▶

Sardar Sant Singh (West Punjab . Sikh) : They never knew you will come in time to defend yourself

Lieut.-Colonel Sir Henry Gidney : I did not criticise the Honourable Member I eulogised him on many points

Mr. Jamnadas M. Mehta : I must not be disturbed, my time is short.

Well, the Mover said that I am not fit to represent the Mussalmans in the trade unions, because I am a member of the Hindu Mahasabha. Let me state for a thousand and oneth time that I have not the privilege of being a member of the Hindu Mahasabha

Sir Syed Raza Ali : There is then hope for you ?

Mr. Jamnadas M. Mehta : Not that I have any difference with the nationalist policy of the Hindu Mahasabha, because the Hindu Mahasabha is the only nationalist body in this country, but I have not the privilege .

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member should not stray into a discussion of that subject

Mr. Jamnadas M. Mehta : In this very debate I was criticised on that score

Mr. Umar Aly Shah (North Madras Muhammadan) What is your conception of the fundamentals of the Hindu Mahasabha ?

Mr. Jamnadas M. Mehta : I am not going to be drawn into that discussion.

Mr. President (The Honourable Sir Abdur Rahim) If the Honourable Member is replying to some remarks that have been made about him here, during this debate, he is quite in order.

Mr. Jamnadas M. Mehta : As the President of the All-India Railwaymen's Federation for the last eleven years, it has been my privilege to represent the Hindus, Muslims, Christians, Anglo-Indians and Europeans, and it does not matter one brass farthing to me what the percentage of any community is. It makes no difference to me whether there is one Muslim or ten Muslims, I represent them all. I have represented them, Hindus and Mussalmans and all Railway workers, I have brought them a railway war allowance of Rs 175 lakhs a year. I represent the Muslim workers, not this gallant Major, or Lieut. Colonel, not the learned doctor here, not the Nawabs and Khan Bahadurs here. I represent the Muslim workers on railways and I am not going to surrender that position in favour of communal champions of the kind whom we notice here. Sir Henry Gidney mentioned one incident against me. He said that as President of the All India Railwaymen's Federation I once stopped him from speaking. He deserved nothing better on that occasion. I shall say what really happened ; we had an interview with the Railway Board, and the rule

is that the Chief Commissioner speaks, or I speak as President of the Federation. If any member of the Railway Board wants to speak, he gets the permission of the Chief Commissioner, and if any member of the Federation wants to speak he gets my permission. But, Sir Henry Gidney, fresh from the honours or dishonours of the Round Table Conference, came to that meeting and without my permission went into irrelevant considerations. Then I asked the Chairman—I did not stop him myself,—I asked the Chairman, Sir Guthrie Russell....

Mr. President (The Honourable Sir Abdur Rahim) : Did he make those remarks during this debate?

* **Mr. Jamnadas M. Mehta** : Yes. I asked Sir Guthrie Russell, the Chairman of that meeting, to stop the gallant Lieut.-Colonel, and he stopped him,—not I. I have no right to stop him, but I appealed to the Chair that this gentleman was irrelevant.

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member had better not go into all that. The Honourable Member is not in order in going into episodes of that sort.

Mr. Jamnadas M. Mehta : I can only leave him with an assurance that if he does that again, I shall stop him.

What is it that the Muslims do not get through the Federation? Their argument is that the Mussalmans are a separate nation. I do not believe a word of it. But supposing they are, I do not go into that question,—members belonging to different nations comprise the Worldwide Federation of Workers, and it would pay the Muslims not to raise any question of nationality in the matter of trade unions. A fitter is a fitter, a guard is a guard, it does not matter to what community he belongs, and we certainly make no difference in any way in the matter of patronage that exists. Out of the 20 occasions on which Indians have gone to the Geneva Labour Conference, do my Honourable friends know that on not less than ten, probably 15 occasions, the delegates or advisers chosen have been Mussalmans? (Interruption.) The Muslims say they are only 15 per cent, then they should have gone only twice. But we are making no distinction. The Vice-President of the All-India Railwaymen's Federation is a Muhammadan gentleman, I have in one union as my Secretary a European gentleman. I have got my colleagues, Muhammadans, and we make no distinction on the ground of race.

I shall not detain the House for more than a minute or two. All the grounds given for recognising separate communal unions are for the Government to reply to, not for me. I agree that Government have done the wrong in encouraging separatism. In having separate electorates they have done a wrong. In fixing communal percentages without regard to merit they have done a wrong to this country. Mr Griffiths would not have that percentage in his own industry. I am sure Government are worse than the industrialists. Industrialists never have their employees according to the proportion of a certain community. They are wise, Government are otherwise. Sir, I may say that we have got nearly one lakh members in the Federation. Previously the number was one lakh and 60 thousand. On account of retrenchment and depression and retirements, our numbers have decreased but our determination to fight for every class of worker, irrespective of community irrespective of class or religion has not wavered for a single minute. In the last Railway Employees' Committee in 1931, I conducted the cases of Muslims,

[Mr Jamnadas M Mehta]

of Hindus, of Christians, Anglo-Indians and even Europeans. For the last eleven years, every one of them has remembered that my services to them were impartial because as their President I myself do not believe that I am belonging to any particular community. I am a human being first and everything else afterwards and I regard the rights of any community as sacred as those of any other. If a real League of Peoples come into existence, where there is no distinction, I shall enrol myself as the first member and I shall forget that I was born in India. Therefore, it is that for the last eleven years I have had the honour of representing the railwaymen in the Federation as the Chairman and the last time it met which was only last week, my re-election as President was seconded by a Muhammadan gentleman. These communalists will not succeed in their attempt, I am sure, even if they tried. These Nawabs and Khan Bahadurs have no place in the unions.

An Honourable Member : Rai Bahadurs.

Mr. Jamnadas M. Mehta : Yes, they also have no place.

There is only one thing that I should like to mention and that is that Government do not treat us fairly, as they ought to, when I was the President of the Postal Union.. . .

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member's time is up

Mr. Jamnadas M. Mehta : Then I shall wind up by making only one statement. My friend, Sir Henry Gidney, may remember that he has given us compliments for having done so much good in the Railwaymen's Federation and still he has asked for the recognition of communal unions, but his brother Mr. Gidney

Mr. President (The Honourable Sir Abdur Rahim) : The Honourable Member must really not go into personalities

Mr. Jamnadas M. Mehta : Well, Sir, if that is so, I will conclude by saying that no rational grounds have been given for the recognition of communal unions, and I am totally opposed to the Resolution

Syed Ghulam Bhik Nairang : I thought, when I started listening to the speech of my Honourable friend, Mr. Joshi, that he will have something relevant and pertinent to the Resolution to put before us. I was surprised, however, to find very soon that from a cursory discussion of the purport of the Resolution which the House is considering, he lapsed into his favourite subject of labour and trade unions and started pointing out the great disadvantages which we shall suffer if we insist on and succeed in organising what are called communal unions, which we designately call in this Resolution, the so-called communal unions. Mr. Joshi started by pointing out what serious disadvantages we shall suffer from. He said 'they will be weak, there will not be a large membership of these unions. They will not have the spirit requisite for the success of a union and they will suffer the greatest of all calamities in that they will not be in a position to organise strikes'.

Mr. N. M. Joshi : Yes.

Syed Ghulam Bhik Nairang : Strike is the thing which according to Mr. Joshi makes a union successful. I was wondering whether this aspect of the matter fell within the four corners of the Resolution. An interjection by a

lawyer friend of mine shows that even he does not understand what I mean when I say whether a certain thing falls within the four corners of a certain thing. But greater surprises were awaiting me and Mr Joshi was very closely followed by our Honourable friend, Mr Griffiths. He too took us into the philosophy of trade unionism and into all the hardships which the Labour employed by industrialists will suffer if trade unions are formed on any basis other than that of community of economic interests. I have not much to say against the position taken up by our new Honourable friend, Mr Jamnadas Mehta, whom I in common with others very heartily welcome to this House and whose speeches we expect to listen to with great benefit to ourselves and enlightenment to the House, because he had to explain a lot of things which had been said about him, but this objection applied to his speech as well that it was irrelevant from top to bottom as far as the Resolution is concerned. It may be perfectly relevant as a matter of personal explanation. It may be quite in order as giving him an opportunity of saying a few things in reply to what had been said about him in the course of the debate, but as far as the Resolution is concerned, his speech too suffered from the serious defect of being absolutely irrelevant.

The upshot of today's debate so far in this House as far as the speeches of Mr Joshi, Mr Griffiths and Mr Jamnadas Mehta are concerned is that we have not really heard anything relevant except one or two things. For instance, Mr Joshi as well as Mr Griffiths were full of sympathy for the minorities. Mr Joshi appealed to the majority to make sacrifices in order to accommodate the minorities. The same kind of sympathy was also shown by Mr Griffiths but the crux of the matter was entirely missed when Mr Joshi, giving the purport of the speech of Maulana Zafar Ali Khan said that if a Muslim was conscious every minute of his life that he was a Muslim he would be unsuited for any station in life. He could not make a good judge. He could not make a good booking clerk. Now, I submit that it is a pity in my opinion that a gentleman of the education and culture of Mr Joshi should not understand what a Muslim is and that he should not realise that if a Muslim were to remember what a true Muslim should be he will be an ideal man for any station in life. My friend says If a Muslim judge is conscious that he is a Muslim and does not forget that he is a Muslim, he will not be able to discharge his judicial duties. Well, I refer him to the commandment contained in the Quran about this matter of doing justice. The Holy Quran says—

La yajrimannakum shanaanu qaumim 'ala an la ta'delu 'Idila Huwa aqwanu li ta'awa

It says “The fact that certain people are hostile to you or are your enemies should not deter you from the duty of doing justice to them.”

Do justice. That is the best for a pious man to do. Now, if a Muslim were really to remember—and not only profess by way of lip profession that he is a Muslim—then there can be no better judge in the world than a Muslim, —and, yet Mr Joshi says that if a Muslim remembers that he is a Muslim, he cannot be a judge! And then by way of bathos, from a judge he abruptly came down to a booking clerk, from the sublime to the ridiculous! He gave the instance of a booking clerk. I say, yes, a Muslim who really remembers that he is a Muslim, will be an ideal booking clerk. He will not in any way put anybody to inconvenience, he will attend equally to everybody coming to him for the issue of a ticket, he will charge the correct amount, he will not embezzle any amount due to the railway company or the Government, and he will be an ideal booking clerk in all respects. So even your instance of a Muslim booking clerk remembering that he is a Muslim does not apply in your favour;

[Syed Ghulam Bhik Nairang.]

It applies against your contention. My Honourable friend, Mr. Jamnadas Mehta, went a step further and said, "I will try to show that a Muslim, if he remembers that he is a Muslim, will not be fit to be the President of this Honourable House." I say, Sir, that a Muslim is the best fitted person in the world to be the President of this House or any other House regarding impartiality, absolute detachment from all party interests, absolute detachment from all bias and prejudice, so, really, the whole thing has been misconstrued and misinterpreted and the debate has been side-tracked in order to cloud the issues and not allow this House to consider the things which are really the basis of the Resolution which has been moved by my Honourable friend, Hafiz Abdullah.

We say, Sir, that the wording of the Resolution is very clear. We want that the policy of Government as regards the recognition of so-called common unions of Government employees and the non-recognition of so-called communal unions of Government employees should be abandoned forthwith. Whenever there are any grievances which are suffered by the members of any community on account of the paucity of their numbers in a service and they form an organization to see that their grievances are duly represented before the authorities, it is a favourite reply given by the Government that this is a communal union and "we do not recognize any such thing as a communal union." The fact is, Sir, that this is an age of catchwords and slogans. This word "communal" has been designed, intentionally designed to serve as an argument where no real argument exists. I am really unable to understand why certain things should be looked upon as national and certain other things as communal in contradistinction to national. As far as our friends, the members of the majority community in India, are concerned, it suits them to say that such and such a thing is national, and anything which is said to affect a particular section of the community in India—I am talking now of the community in India, I leave along the words "nation" and "community" in the ordinary sense in which they are used—I say the "community" in India—if anything affecting the members of a certain section of the community in India is not to their taste or to their interest, they want to get rid of it by damning it as communal. They act on the well-known adage, "give a dog a bad name and hang it." That is the policy. Instead of considering the merits or demerits of the claim put forward on behalf of even a section of the community, they say, "oh, it is all communal humbug." But that word "communal" has now long ceased to be a term of abuse as far as we are concerned. Many of us have proclaimed from the house-tops that, if it is to be a communalist to put forward the claims of Muslims and to argue matters affecting the Muslims and to make efforts to secure the rights of Muslims, if all this is communalism, then we confess that we are communalists and we refuse to regard it as a term of abuse. It is no use saying that such and such a thing is communal, if it is said in the hope of making us abandon it. The position is this that there are unions which are wrongly considered to be common unions of Government employees. Certainly, of course, in so far as matters of pay and pension and leave and retirement and all that are concerned, Muslims cannot have any interest as apart from that of non-Muslims. That is quite right. But what about recruitment, what about promotion, what about posting and so many other things? (Interruptions) The so-called common unions can never represent the Muslims there. It is a matter of long, bitter experience that the so-called common unions cannot advocate, sincerely and impartially, the cause of Muslims, because it suits the members of the majority community by reason of their favouritism and nepotism and worse things, I mean considerations of religious prejudice, not to do anything. All these things are done by them under

cover of nationalism, because they happen to be larger in numbers, because they happen to have won the race to the Government offices, because, they happen to hold the key positions and because they happen to be in a position to influence, in various ways, the views and conduct of high and responsible Government officers, even European Government officials. So, while what are called the common unions claim to represent the entire service, as a matter of fact, they cannot represent the entire service, except of course in common matters. It is necessary to have Muslim unions which are wrongly condemned as communal unions, and we want to change the policy of Government in respect to such unions.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Members' time is up.

Syed Ghulam Bhik Nairang : I have not got much more to say, Sir so I support the Resolution.

Mr. M. S. Aney : Sir, I have listened to the speech of my Honourable friend, Syed Ghulam Bhik Nairang, with the respect which it deserves. I had expected that my Honourable friend, after having heard the attacks made on this Resolution by some of the friends who are present in this House and who have had the benefit of running federations, unions and trade union movements, would try to meet the objections raised by them.

Syed Ghulam Bhik Nairang : They were irrelevant.

Mr. M. S. Aney : His whole reply was that this attack was irrelevant.

Now, with due deference to his opinion, I say that nothing could have been more relevant than the considerations which our Honourable friends, Mr. Joshi, Mr Griffiths and Mr Jamnadas Mehta, brought to bear on the consideration of this Resolution,—and none in the House was more competent to say something about the question before the House than these three gentlemen who are dealing with labour questions, who have been running unions and who have got the experience of what these unions and their working really mean. I was trying to find out leaving aside the question of relevancy and irrelevancy which was for you to rule. . . .

Mr. President (The Honourable Sir Abdur Rahim): As regards the question of relevancy, the Chair may perhaps make the matter clear. It is quite possible for some speakers to take the view that this is a legitimate argument, the argument derived from the experience of a trade union. It is quite possible also for another set of Members to take the view that this is not in the nature of a trade union. It is impossible for the Chair to say that considerations regarding trade unions do not altogether apply.

Mr. M. S. Aney : I appreciate the exposition which you have given just now. It is somewhat difficult at times to distinguish between what is relevant and what is irrelevant. Then, I tried to find out whether my Honourable friend would adduce any relevant arguments in support of the motion before the House, leaving aside his negative part of the thing that others have talked in an irrelevant manner. I was trying to find out what are the relevant arguments which my Honourable friend wanted to advance to convince the Members of this House that this was a rational thing for them to adopt and the only reasonable thing for them to do. I confess to have been completely disappointed in his speech from this point of view. I

[Mr M S Aney]

do not want to enter into that bigger question and the interpretation which he sought to put upon the observation made by my Honourable friend, Maulana Zafar Ali Khan, that a Muslim is always a Muslim I know that a Muslim is always a Muslim in the best sense and certainly it does not mean any reflection upon the Muslim community In the same way, if a Christian is always a Christian, he shall be the best man If a Hindu is always a Hindu in the true sense of the term, he shall be the best man So, if a Muslim is always a Muslim, he shall be the best man I do not think that in that way any particular individual can claim that by belonging to a particular community he gets a kind of monopoly for doing what is just, proper and correct That depends upon the respect he has cultivated for the fundamental principles of the religion, which are more or less the same So, I do not want to enter into that matter at all That is a matter which is common to the follower of all religions provided those followers are true to the fundamental and essential tenets of their particular religion But I was trying to find out that my Honourable friend will be able to make out a case in some concrete way.

For the last so many years these unions have been run and there were certain broad points of view which affected the Muslim community in the working of that union and on account of their numerical minority or the paucity of their number they were unable to persuade the trade union officers to take up their cause and fight for them And in view of that difficulty the case for the formation of a separate union which may be called the communal union of the Government employees has become necessary I was trying to find out some justification of the kind, but over and above expressing their deep distrust or suspicion, nothing tangible has been said so far That is what I find In the second place, certain points were touched by him concerning the question of recruitment and other matters Let me submit with due deference to him that he is confounding the functions of these unions with the functions of the Governmental bodies So far as the Governmental bodies are concerned, they are entrusted with the duty of laying down the policy as regards the composition of services for good or for bad Unfortunately, a separate case for the representation of the community on the legislature adequate to safeguard its interests has been made and a provision is there already But so far as the the working of these communal unions of the Government employees are concerned, the problems which they have to consider are nothing more than those which are common to members irrespective of caste, creed or colour

Syed Ghulam Bhik Nairang : No

Mr. M. S. Aney : My friends says "No" I was expecting him to tell me

Syed Ghulam Bhik Nairang : May I explain the position ? I have plainly said that as far as questions of appointment and pension and those other things which were particularly mentioned by Mr Joshi are concerned, the interests of the Mussalmans and non-Mussalmans will be the same But there are other interests which these so-called communal unions alone can protect and not the so-called common unions

Mr. M. S. Aney : I have heard that It is only a repetition of what the Honourable Member stated before But what are those other interests to which the Honourable Member refers ?

Syed Ghulam Bhik Nairang : I never said that the union can appoint and recruit

Mr. M. S. Aney : It is not within the province of these unions to consider the question of recruitment even for purposes of making a recommendation. That is a matter which is considered by other bodies. These unions have got nothing to do with it. I have referred to it because the Honourable Member made a reference to it. If he thinks it has got no relevance, there is no reason why I should reply to that argument. But I have been trying to find out whether any case has been made out. My submission is this that even these Government unions are a part of the big movement that is going on not only in this country, but in the whole world. A kind of attempt to consolidate the working classes of the whole world is being made and that movement is reflected in different countries in the formation of separate national unions. But the movement in its nature is international and that international ideal of the movement is to be kept in mind by those who are interested in the cause of labour and of working classes. If they fail to keep that ideal of international existence before their mind and have in its place another body in the interests of the Government employees or anybody else, they are undermining the very foundation on which this big working class movement is being run all over the world. They have failed to appreciate the principle which is at the bottom of this great world movement. Therefore, the criticism that was levelled against this Resolution was this, that it was not only detrimental to the interests of these employees who are mentioned in this Resolution but from the wider interests of the world movement that is going on, it was a reactionary step, a step which the Government should not take the responsibility of giving its consent to or of accepting it. I, therefore, think that from every point of view the present Resolution is one which ought not to be commended to the acceptance of the House. I oppose it.

Dr. Sir Ziauddin Ahmad : Sir, I just wish to say a few words about the arguments advanced by a few speakers. In the first place, I will refer to the remarks of Mr Griffiths. Mr Griffiths is living in an India of his own imagination. He is not living in that India which unfortunately exists. He is applying here the principle of the English trade unionism, but does he know that there are employers in this country who refuse to employ any Musalmans in their business? Does such a thing exist in his country? Does he ever imagine that any employer in England would refuse to employ a person because he is a Protestant or a Roman Catholic? That being the case, it is idle for him to quote the example of the United Kingdom. Then I come to Mr. Joshi. He said that the Mussalmans do not really advance and advocate the cause of labour.

Mr. N. M. Joshi : I said the Muslim League Party.

Dr. Sir Ziauddin Ahmad : I would like to tell him that we have got very little interest in capital. The only interest which the Muslims have in industries is in labour. Therefore, he may take it for granted that we advocate the cause of labour probably much more than the Honourable gentleman himself professes to do. As an example, I would quote the Resolution brought forward on behalf of the Muslim League Party by Mr Essak Sait. If that Resolution is accepted by the Government, it would do much good to the labour than all the Resolutions which Mr Joshi has advocated during the last ten years in this Assembly. If he is really in favour of the labour movement, he ought to advocate that particular Resolution which was sponsored by the Muslim League Party.

[Dr. Sir Ziauddin Ahmad]

As regards the point raised by my friend, Mr Jamnadas Mehta, he took a great glory to himself by saying that he advocated the cause of the dearness allowance and he did so much for the employees. May I just remind him that he is not the only person who had done good to the railway employees. I had been the President of the all-India Muslim Railway Employees' Association for the past eleven years and I have done a great deal of which Mr. Jamnadas Mehta may be unfamiliar. May I ask him when the T T's and T T I's were in trouble, was it not I who took up the case with Sir Raghavendra Rau who was then Financial Commissioner for Railways? I fought not for Muslim employees only but for all T T E's and T T I's. Where was Mr. Jamnadas Mehta at that time? He never advocated their cause.

Then, as regards dearness allowance, I must tell him that he confined his attention only to the employees of the Great Indian Peninsula Railway. I pressed this question further and got it extended to all the employees under the Central Government and I did not restrict it to the employees of any one particular railway. Therefore to work for the employees as a whole is not the privilege of the President of the Federation of Railway Unions. The President of the Railway Associations and Railway Unions have been pressing the same point from time to time. Whenever a member of a particular union does something, it does not mean that the interests of other categories are overlooked.

The real point was raised by my Honourable friend, Mr Aney. I should like to answer the question raised by him. What is the ideal of a trade union or of the employees of the trade union? Mr Joshi would probably know it. I had occasion to study this subject very carefully when I wrote the last chapter of my book on *Indian Railways*. If you read carefully the history of the development of trade unions in various countries you will find that it has gone through various stages. The ideal stage is that every Member of the trade union must belong to that particular trade. The trade union must not be led by politicians. The moment trade unions are led by politicians, there is always the danger, and it is not permissible in ideal trade unions. In order to reach that particular ideal, every country had to pass through different stages of development. Unfortunately we have not reached the stage when labour, without any assistance from outsiders would be able to push forward and safeguard their own interests. If we have politicians leading trade unions, then the danger will be that those trade unions will become appendices to big political organizations. Now, this is a challenge which I throw to my Honourable friend, Mr Jamnadas Mehta, that his Federation is really an appendix of the Congress, and this being so, we Muslims have every right to demand for the recognition of another union, because we do not believe in the great body of which the Federation has become an appendix. If the Government assert that they would not recognise any trade union in which you have got members restricted to a particular community, if the Government assert there should be no discrimination between trade unions, then, at the same time, the duty of the Government is to lay down the fundamental principle that every trade union must have among its members only those persons who belong to that trade and no President, no Vice-President, and no office bearer of these trade unions should be politicians and no outsider should have anything to do with the trade unions. So long as this principle is not recognised so long as politicians who belong to the Congress fold interfere in the affairs of trade unions... . . .

Bhai Parma Nand (West Punjab Non-Muhammadan). Does not my Honourable friend know that Mr Jannadas Mehta fought the Congress and defeated the Congress candidate at the recent election? He was not returned on the Congress ticket.

Dr. Sir Ziauddin Ahmad : I am not concerned with that. If the Government refuse to recognise communal unions, then I think it is in the fitness of things that they should lay down the rule that only those unions will be recognised whose Members belong to that particular profession or trade. No outsider should be admitted. That is the logical sequence of the Government's contention that communal trade unions should not be recognised. So long as this principle is not laid down, so long as that ideal has not been achieved in this country, then all these intermediate stages should be followed. My Honourable friend, Mr Aney, asks me what are the specific points, what are the specific aims for which a Muslim Trade Union is necessary? The Muslims do not say they are Muslims all the time. For example, when I am discussing mathematics, I am neither a Hindu nor a Muslim, I am simply a human being. At the same time there are occasions when I have to say my prayers, then the prayers must be according to my religion. Then I am a Muslim. At other times I am simply a human being. If the Muslims desire to say their prayers on the occasion of *Jumma*, may I ask whether the trade unions will support their demand?

Some Honourable Members : Certainly

Dr. Sir Ziauddin Ahmad : I wish they had done, you have not done it in the past. The other difficulty is this. Some Muslim employees have got complaints against the treatment meted out to them by certain superior officers who happen to be Hindus. May I ask whether Mr Jannadas Mehta's Federation will take up their case and redress their grievances?

An Honourable Member : Certainly

Dr. Sir Ziauddin Ahmad : I do not think so. These are cases that have been brought to our notice time after time. This has been so. The very fact that we have been demanding and demanding very correctly that a certain proportion should be reserved for Muslims, this very fact has proved that things are not all right and it is very desirable that these things should be redressed. There is one point. If there is no discrimination, may I ask why 25 per cent of the places are reserved for Muslims?

Mr. M. S. Aney : Because you clamoured?

Dr. Sir Ziauddin Ahmad : Because we demanded. Now, we clamour that Muslim unions should also be recognised and our clamour should be satisfied.

Mr. M. S. Aney : One mistake does not mean that more mistakes should be committed.

Dr. Sir Ziauddin Ahmad : It is consequential. There is a kind of discrimination in the employment and it is desirable that the grievances of these employees who have been conceded discrimination should also be redressed. This is not really an occasion when you can refuse recognition of a particular class because they happen to say their prayers in a particular manner. My

[Dr. Sir Ziauddin Ahmad.]

Honourable friend says that he can recognise only unions which are open to all classes. It was also said that if Muslim Unions should take a Hindu, a Christian and some other Members belonging to other communities, then the Muslim Unions will be recognised. I call this hypocrisy. This is just the thing which the Federation has done and it has made the Government believe that by including a few Muslims, a few Christians they profess to represent the whole of India. They do not represent the whole of India.

Mr. M. S. Aney : They represent all. They include all.

Dr. Sir Ziauddin Ahmad : They do not. They represent only one particular section. May I ask whether it is legitimate for you to refuse the grievances of another class of railway employees who happen to be not represented by the Federation? We have got two very important unions and they have got no representation whatsoever. Whenever you hear the views of only one union, you hear only one side of the case. Is it fair, is it reasonable and just for any employer to refuse to listen to the grievances of his employees? There is one other object which I may point out will be achieved if you recognise Muslim Trade Unions. Whenever there is a small matter, whenever a Muslim employee is aggrieved he has got no method by means of which he can represent his case to the proper authorities and all these cases will have to come to the Members of the Assembly and the result is that the number of questions which we, the Muslim Members, are obliged to put in the Assembly, on the floor of the House, unnecessarily increases. I think if the Muslim Unions are recognised, then most of the small things will be settled on the running lines by the General Managers or the Divisional Superintendents and I am sure that the number of questions which we discuss here on the floor of the House will be minimised. I know, and I think the Honourable the President will bear me out, that the number of questions that are asked about individual cases are very large. And about half of them are disallowed by the President himself and even the half which is left clearly shows that there should be some machinery by means of which these things ought to be settled by the Agents and should not have been brought up here. They come up here because there is no other method of redress. The unions are not recognised and they cannot lay their grievances either before the Divisional Superintendent or before the General Managers.

About the recognition of unions we know that about seven years ago they passed a Resolution that these communal unions should not be recognised. My Honourable friend the Finance Member, who is also a philosopher, knows that after seven years all the items in our body disappear and we are not the same persons as we were before. So whatever may have been done seven years ago, it is time to reconsider the problem now in the light of new facts that have now appeared. In this connection I had a little dream last night. This recognition is the subject of a Resolution in the Executive Council and after seven years when all the items in your body have changed, this question was allowed to be discussed again by the Executive Council in which, unfortunately, the Viceroy and the Commander-in-Chief were not present, and the Vice-President took the Chair. The Finance Member got up gracefully and asked what are the financial liabilities and implications of recognition? He was told there was none and he said he had then no interest in it. The Education Member said, "The question never comes up before me and will never come up in any of my Departments." Then the Home Member said he thought they should not be

recognised but, unfortunately, he had to recognise them. He recognised the Congress, the Muslim League, the Hindu Mahasabha and all these communal bodies. Then the Commerce Member got up and said, "I have got two views. As Commerce Member I have recognised the Muslim Chamber of Commerce, the Marwari Chamber of Commerce and every other blooming Chamber of Commerce, as far as capital is concerned. As far as labour is concerned, I do not know what it is." So half his opinion was on this side and half on the other. And the Communications Member opposed the motion. Then the President got up and said, we have $1\frac{1}{2}$ votes on each side and it is very difficult for me to give any casting vote on this occasion, I will probably give a casting vote on some other occasion! But from the mere fact that the claims of minorities are recognised by us, it is difficult to ignore them on this question. But I will reserve my judgment for another occasion."

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member's time is up

Pandit Lakshmi Kanta Maitra : Sir, this Resolution has evoked a discussion which is very illuminating and informative, and I refer particularly to the three speeches delivered by my Honourable friends, Mr. Joshi, Mr. Griffiths and Mr. Jamnadas Mehta. They placed the views of the employers of labour and of the trade union movement in this country in relation to this Resolution. Sir, I have very little to add to the arguments advanced by my Honourable friends, but I think I owe it to myself and to the great service union which I have the honour and privilege to represent as its President, to place the views of my union with regard to this Resolution.

Sir, the service unions in this country have never accepted or acted on the principle of communalism. The House has heard the case of the Railway men's Federation, and I will state my view point as President of the All-India Postal and R.M.S. Union of this country. The very purpose of the union movement is to look to the question of hours, wages, amenities and also of the conditions of service. All these questions are considered by these service unions not with reference to the religion of particular components of the union but with a view to the general interests of the workers as a whole. I do not know if there has ever been a whisper of criticism against the policy of these unions even by those in whose benefit this Resolution is sought to be moved. Sir, I was somewhat puzzled to hear that the general service unions in this country are not sufficient for the purpose of meeting the special needs of their members. I am told that there are specific duties which can only be performed by special organisations aligned on communal or denominational lines. I fail to see the substance of this contention. As I was listening to my Honourable friend, Sir Ziauddin, I could get an inkling into the kind of object which a communal organisation might be expected to achieve. Now what are these special needs? He made mention specially of the question of prayer. Sir, I do not think that the question of prayer or the question of dietary or of meals or the question of matrimonial alliances are matters which properly form the subject-matter for consideration of service unions. Unionism would defeat its own end if it diverted itself into these channels which would in no way benefit the union or the members who compose it. The other point that he could plead in justification of his demand for recognition of a communal union was that in that case they would get a forum for championing individual cases which they found rather difficult to do in this House. I am surprised to hear all this.

[Pandit Lakshmi Kanta Maitra]

This morning we were discussing in this House an individual case with regard to the Archaeological Department. This forum is always open to them to fight out individual cases within reasonable limits. But I am afraid my Honourable friend and those who support this Resolution are not aware that according to the Government rules of recognition individual cases cannot be espoused in service unions. Government have laid down this Principle and they refuse to relax it on any ground.

Dr. Sir Ziauddin Ahmad : What for does it exist then ?

Pandit Lakshmi Kanta Maitra : My Honourable friend may ask the Communications Member or for the matter of that, the Government about it. But the rules of recognition lay down imperatively that individual cases are never to be ventilated through service organisations .

Lieut.-Colonel Sir Henry Gidney : (Nominated Non-Official) · Quite right except when a policy is involved

Pandit Lakshmi Kanta Maitra : As the President of the All-India Postal and R M S Union I had pronounced the verdict of the union against this rule, and however much we dislike it, it is still there , and if my friends think that by getting recognition of communal unions they will be able to achieve this object, they are greatly mistaken. There may be occasions when individual cases involving questions of principle have to be fought out on the forum of unions, but if a service union were to go on inquiring into the details of administration with reference to a particular community only, into the particulars of appointments of a particular section professing a particular religion only, then of course, this great institution would degenerate into a sectional or factional body and cease to be a useful organisation for the well-being of the workers and servicemen. In the very nature of things a service union has to confine its activities to matters conduced to the well-being of its component members. But I fail to understand how the religion of a particular component unit of it will in any way influence his employer, whose only look out would be to get out of him as much work as he possibly can with as little wage as possible. The terms and conditions of service are the same for all. That point should not be ignored, and I have not known that religion ever made any difference in them. Now, Sir, it has been alleged that the executive Offices of these unions have been monopolised by Hindus and that Muhammadans have been deliberately showed out of these positions. That is an imaginary grievance. If my Honourable friend who has sponsored this Resolution and those who have spoken in support of it cared to look into the published records of the service organisations, they would have found that their allegations had absolutely no legs to stand upon. Take for instance the All-India Postal and R M S Union. It has got 11 provincial branches and a number of divisional unions all over India. Before I was put at its helm, Mr. Asaf Ali was its president. He was a Muslim. Take again the branch unions—the Bengal and Assam provincial branch. Sir Abdul Halim Guhznavi, who is not in his seat now, was elected, and still continues president of the union. I ask my friends of Pakistan to believe me when I say that religion never counts in the election of Presidents of that organisation. Unionists are never bothered by considerations of a different nation theory.

My friend, Mr. Azhar Ali, is the president of a service union of the Postal and R M S. Did anybody make any grievance that a Muslim was elected president of the United Provinces provincial union ? If the Hindus have a .

majority of members in these organisations they are never swayed by communal bias in the election of executives otherwise why did they elect my friend, Mr Azhar Ali? It is a reflection on my friend, Mr Azhar Ali, to allege that he can be made a tool in our hands. Do they think that Sir Abdul Haliq Ghuznavi is a tool in the hands of the Hindus? If that is so, I do not know whom the Muslims will look upon as their proper protectors. I assert that if these two gentlemen cannot represent Muslim interests properly, the Honourable gentlemen who have spoken in support of this Resolution represent nobody but themselves they do not represent anybody else. My Sikh friend, Sardar Sant Singh, has had occasions to preside over certain branch conferences of my union. So, we have got Hindus, Sikhs, Muslims presiding over the different conferences, and not only presiding over the conferences but acting as the heads of these service unions.

Sir Muhammad Yamin Khan (Agra Division Muhammadan Rural) : Has there ever been an Anglo-Indian president of your unions?

Pandit Lakshmi Kanta Maitra : Yes, there used to be. So the complaint that these unions are the close preserve of Hindus or of particular sections of people is absolutely without foundation. They are trumped up charges deliberately made to create a sinister impression in this House. I do not approve the policy of the Government in giving communalism the kind of long rope they have given. It has already worked incalculable havoc, it has already vitiated the body politic of this country. The time has now come when Government should cry halt to this policy and should hear and now declare once and for all that labour organisations are spheres where communalism should never be allowed to invade. For I am one of those who believe that labour is the one solvent of communalism in this country and if you want to infect this field with the virus of communalism I do not know where you will end. On behalf of the All-India Postal and R. M. S. Union, I emphatically protest against the insinuation that these unions are for Hindus and non-Muslims only or that they have been unfair to the Muslims. I never heard a complaint like that before.

Maulvi Muhammad Abdul Ghani : Innumerable instances!

Pandit Lakshmi Kanta Maitra : There has not been one instance so far as I am aware. This organisation which is recognised by the Government is one of the most powerful and well organised service organisations in the land.

An Honourable Member : Question.

Pandit Lakshmi Kanta Maitra : You may question it and go on questioning it. You will never have the chance of getting control over it with the kind of views you have in this matter, but if you have sane and sensible views, if you can ingratiate yourself with the servicemen and do not in your own self-interest hanker for their leadership then you will find that these people will gladly take you in and acclaim you as their leaders and put you at the head of these service organisations. Now, in order to win the confidence of the servicemen you have to work in their midst in a spirit of service with understanding and sympathy. You have to study their conditions of service with intelligence and honesty. You have to devote a considerable portion of your time and energy to the solution of their problems, and above all, you have to make sacrifices for them. If you are not prepared to do all these, then by simply sitting here and making reckless charges or allegations against responsible and

[Pandit Lakshmi Kanta Maitra.]

respected public men who have been honestly serving these organisations, you may at best earn unenviable notoriety, an evanescent name which is too often mistaken for fame. Sir, I oppose the Resolution

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the clock
Mr. Deputy President (Mr Akhil Chandra Datta) in the Chair

Mr. Govind V. Deshmukh (Nagpur Division Non-Muhammadan) · Sir, I move for closure. This Resolution has been discussed on the floor of the House at sufficient length, and the Honourable Member in charge of the portfolio who has yet to reply will take at least half an hour. The Honourable the Mover of the Resolution, the Muslim League Members and others who support the Resolution have sufficiently debated on it, and Members of other Groups also have spoken on the Resolution. I, therefore, submit that closure should now be applied

Sir Abdul Halim Ghuznavi (Dacca *cum* Mymensingh Muhammadan Rural) Sir, I have not yet spoken, and I wish to speak on this Resolution. I am not a Member of the Muslim League

Mr. Govind V. Deshmukh : I think the principle to be borne in mind in accepting or rejecting a closure motion is whether a Resolution has been sufficiently debated or not, and not whether every individual has spoken on it, the main thing is to see whether the various Parties have spoken on the Resolution or not

Mr. Deputy President (Mr Akhil Chandra Datta) **Sir Raza Ali**

Sir Syed Raza Ali : Sir, I am afraid this debate has produced more heat than light. I purposely rise at this stage so that the Honourable the Home Member should know what is the real scope of the Resolution and what the Muslim League Party have in their mind in tabling this Resolution. Before I offer any general remarks, Sir, I may say that, by the speeches delivered by some Honourable Members this morning, I am forcibly reminded of the story of a beautiful Rani, whose husband the Raja, was greatly in love with her,—rather the Raja loved his Rani so much that he refused to have any other wife. One day the Rani went to take her bath, and according to ancient custom in those good old days ladies of rank and position used to bathe in open spaces properly walled or screened. She collected her jewellery before she had her bath and kept it in one place. Suddenly a cry went round—“a crow has flown away with the nose of the Rani, let us capture the crow.” So everybody went in pursuit of the crow. There was a great hue and cry raised, and somebody informed the Raja of it. The Raja called his *Wazir* or *Mantri* and took counsel with him. The wise old man shook his head and said ‘Yes, I realise the seriousness of the situation, but may I humbly suggest that your Majesty be pleased to visit the Rani and find out what injuries have been caused to her nose and what are the circumstances in which the impudent crow flew away with her nose.’ The Raja accepted the advice and went to see the Rani. He saw that the Rani was quite hail and hearty and her nose was quite all right as before. That is exactly what has happened to this Resolution. Cries of the crow having flown away with the nose of the Rani have been raised by no less than three distinguished speakers—first, by my friend, Mr Joshi....

Mr. Lalchand Navalrai (Sind. Non-Muhammadan Rural) I thought the Muslim League has lost the nose

Sir Syed Raza Ali : The second speaker was Mr Griffiths, and both these gentlemen very vehemently introduced the question of trade unions and referred to the pernicious effect which would be produced by accepting a Resolution of this kind on the trade movement in India. Mr Jamnadas Mehta whom I welcome so heartily back to this House after an absence of many years went even one better. He seems to have claimed that all this cry of Muslims seeking to set up their own unions was a useless and mischievous cry, and he claimed, I believe, that it was more or less a national calamity that a question of this character should be seriously debated in this House when no less a person than himself was the President of the Federation of Railway Unions. These are the smoke screens that have been raised to cloud the real issue.

Sir, let us look at the Resolution itself. There is no question of trade unions, there is no question of Muslims setting up parallel trade unions; there is no question of Muslims asking the Government at this stage to recognise parallel trade unions. As a matter of fact, the question of trade unions does not come in at all. May I beg of the House to turn its attention to the wording of the Resolution itself? The Resolution deplores that at present the Government recognise the so-called common unions of Government employees. The Resolution has nothing to do with trade unions, it has nothing to do with employers or employees. It only confines itself to unions set up by Government servants in order to protect their own interests.

The Honourable Sir Andrew Clow (Member for Railways and Communications) Is it the Honourable Member's contention that a Union of Railway servants, because it happens to be a State Railway, is not a Trade Union?

Sir Syed Raza Ali : I do not know whether or not it is registered under Act XVI of 1926, but since this timely interjection has been made by the Honourable the Communications Member, may I invite his attention to section 2, clause (g) of Act XVI of 1926? This is the Act under which all trade unions must be registered. That deals with trade unions and trade disputes. In order that there should be a trade union and a trade dispute . . .

The Honourable Sir Andrew Clow : It is quite distinct from the Trade Disputes Act, the two are not connected. There is a separate Trade Unions Act.

Sir Syed Raza Ali : That Act is in my hands

The Honourable Sir Andrew Clow : I understood the Honourable Member to say that in order to have a trade union, there should be a trade dispute. The two things are quite different.

Sir Syed Raza Ali : That is a good quibble. What is the object of the trade unions? Now, Sir, our position is this. I have specifically referred my friends to the Resolution, and all that we ask for at this stage is this. At present the Government recognise common unions, namely, a union, the membership of which is open to any Government servant who cares to join it. What we ask is simply this. Along with this, please recognise communal unions also, namely, unions set up by a very large section of the population such as the Muslim community, and I will give you the reason at once.

[Sir Syed Raza Ali]

I am afraid the time at my disposal will not allow me to pursue the arguments that we advanced by my Honourable friends, Mr. Griffiths, Mr. Joshi and Mr. Jamnadas Mehta. But the point is this. Why do the Muslims set up communal unions? Their object is self-evident. The very first thing they want is that such Muslim unions should be in a position to see that due effect is given to the terms of the Home Department Resolution dated the 6th July, 1934. That is their first object. May I turn for a moment to my friend, Mr. Griffiths, who is not here, or Mr. Jamnadas Mehta... (Interruption)... and ask them, if Muslim employees, say, in Posts, in Telegraphs, in Railways, in any Government service, if they join the common unions, will the common unions help them to have the terms of the Resolution of 1934 enforced? That is the very first question.

Mr. N. M. Joshi : No

Sir Syed Raza Ali : I am very glad that Mr. Joshi has the candour to say "No".

Mr. N. M. Joshi : It is not their business.

Sir Syed Raza Ali : May I just say, what is the point in Muslims joining the common unions, because their very first object is to ensure their position as outlined in the Resolution of 1934?

Pandit Lakshmi Kanta Maitra : That is not the function of any union.

Sir Syed Raza Ali : In spite of shaking of heads, the first is the question of appointment, namely, 25 per cent should go to the Muslims and the remaining 8 1/3 per cent should go to other minority communities. Then there is the question of these posts being filled by promotion. Another Muslim complaint is that at the time of promotion they are treated in a step-motherly fashion. I need not go into the history of the complaint, but that is the fact, that is the complaint. It is for my Honourable friends on the Treasury Benches to enquire whether these complaints are well founded or not, but the complaint is there. First, it refers to appointments, secondly, to promotions, thirdly, Muslims are being dismissed on very flimsy grounds, on which non-Muslims would not be dismissed, in order to create vacancies. These are the things to consider. Let us deal with the position in a spirit of reality. There is no use lecturing us—the unfortunate members of the Muslim League Party. Let us see if what we are asking is reasonable and just or not. May I invite my Honourable friends' attention to two letters? I happen to be the President of a union which is not a trade union, let me make it perfectly clear. It is a union which has a very large membership.

An Honourable Member : What is that union?

Sir Syed Raza Ali : It is the Subordinate Accounts Service Union established in Delhi, and it has a very large membership. It wrote a letter to the Finance Department asking that the Finance Department be good enough to recognise this union. The reply dated the 4th July, 1940, is—

"I am directed to say that one of the conditions with which an association of Government employees should comply before it can be recognised by the Government of India is that every Government employee of the same class, irrespective of religion or community, must be eligible for membership of the association."

The second letter dated the 6th November, 1940 says :

" I am directed to say that, in view of the existence of recognised associations of the employees of the Audit and Accounts Office, membership to which is open to persons of all communities, the Government of India do not consider it desirable to accord recognition to any more institutions constituted on identical lines "

That is the policy of the Government of India. I am asking the Treasury Benches to carefully consider whether our grievances are not just, are not reasonable, and are not of a character that early steps should be taken by the Government, if they want to act fairly, to remove those grievances. As I have pointed out, most of these Muslim unions that have been set up, concentrate themselves on the Government of India resolution dated the 6th July, 1934, and they urge that enquiries should be made to see whether the terms of the resolution are being complied with in the letter and in the spirit. May I repeat that I for one am quite prepared to advise the union of which I am the President, to wind up its affairs and join the common union, provided an assurance is given by the responsible authorities of that union that they would help us to see that the terms of the resolution of 1934 are carried out.

Mr. Deputy President (Mr Akhil Chandra Datta) : The Honourable Member's time is up.

Sir Syed Raza Ali : Please let me have a minute and a half more and I shall finish. Surely, Mr Griffiths put down the test whether there is a conflict of interest—that was his test No 1—between members of the two unions. I say, Yes, there is a conflict of interest, and it is this conflict of interest which has induced us to table this Resolution. The conflict of interest is this. If we want the Government, as I said, to give effect to the terms of that resolution, will the non-Muslim members of the union help us? I wait for a reply. If they are not prepared to do that, then a conflict of interest does as assuredly arise as my Honourable friend, Sir Andrew Clow, is sitting opposite me, and no amount of denial can possibly cloud the issue. Therefore, the conflict of interest being there . . .

An Honourable Member Discrimination

Sir Syed Raza Ali : Discrimination is there, I need hardly argue that when there is a conflict of interest there must be discrimination. No doubt, Government find themselves in a rather difficult situation, but it is time that the Government of India acted courageously. It was a different Government of India that passed the Resolution of 1934 and the present Government are not required to do anything except to ensure that justice is done to us by seeing that the terms of the Resolution are enforced not only in the matter of appointments, but in the matter of promotions and dismissals.

Mr. Deputy President (Mr Akhil Chandra Datta) : The Honourable Member's time is up.

Pandit Lakshmi Kanta Maitra : The function of the unions is not to see that the terms of the Resolution of 1934 are carried out.

(Sir Abdul Halim Ghuznavi rose in his seat).

Mr. Deputy President (Mr. Akhil Chandra Datta) : Sir Abdul Halim Ghuznavi.

Some Honourable Members : Let the question be now put.

An Honourable Member : You have already called Sir Abdul Halim Ghuznavi.

1954

LEGISLATIVE ASSEMBLY

[25TH MARCH, 1941]

Mr. Deputy President (Mr. Akhil Chandra Datta) : Yes, the Chair has called him, but as closure has been moved, the Chair wants to give its ruling on it. The Chair cannot accept the closure, because none of the new Party has spoken up till now, and the Deputy Leader of that Party wants to speak. The Chair will consider the question of accepting the closure motion after that gentleman has spoken. Sir Abdul Halim Ghuznavi

Sir Abdul Halim Ghuznavi : Mr. Deputy President, I was not in the House in the morning before twelve minutes to twelve, and I have not heard the speeches that were made before I was here. But I have listened to the last part of the speech of my Honourable friend, Mr. Griffiths, and since then I have heard all the speeches that were made in this House.

Pandit Lakshmi Kanta Maitra : Including mine !

Sir Abdul Halim Ghuznavi : Yes. Speaking for myself, I detest communal unions.

An Honourable Member : Hear hear

Sir Abdul Halim Ghuznavi : But facts cannot be ignored. You cannot shut your eyes to the facts of the situation. The facts are so apparent that without communal unions Muslim grievances cannot be ventilated. That is my experience. I am not a labour leader like my friend Mr. Joshi, nor even

An Honourable Member : You are president

Sir Abdul Halim Ghuznavi : President of what ?

Mr. N. M. Joshi : He does not know

Sir Abdul Halim Ghuznavi : I am not a labour leader like my friend, Sir Ziauddin Ahmad, who has done much for the railway employees. We have heard about it and I know it personally because he has been working hard ever since he has been elected the President of the Railway Association.

Pandit Lakshmi Kanta Maitra : Ticketless !

Sir Abdul Halim Ghuznavi : I will take the speech of my friend, Mr. Griffiths. He said Just see what happens in England and for Heaven's sake don't introduce communalism in these unions. He begged of us I wish he had been an Indian like myself to appreciate what he was saying. He compares India with England. He forgets that India cannot be compared with England.

Mr. M. S. Aney : Then compare England with India

Sir Abdul Halim Ghuznavi : Industries in England are over a century old and they are well-established. Labour is well organised. 99 per cent of them are literate. You compare that with us and then has my Honourable friend forgotten what happens in Germany ? I will give you an extract from my friend, Dr. Sir Ziauddin's book on Indian Railways.

Pandit Lakshmi Kanta Maitra : It is all disharmony in Germany.

Mr. M. S. Aney : You want to imitate Germany.

Sir Abdul Halim Ghuznavi : They have communal unions there. Why should we not have them here ?

An Honourable Member : Do you want Nazism in India ?

Sir Abdul Halim Ghuznavi : The experience there entitles me to ask for communal unions here. This is what I find

"The experience of other countries has also shown that, during the intermediary stage, the Unions are formed on various principles, political opinion, religious beliefs, social help, grade of work—but ultimately they all fuse themselves into one common Union."

(Laughter from European Group Benches) You may laugh to your heart's content, but after you hear the next sentence

An Honourable Member : What is the authority on which Dr Ziauddin relied ?

Sir Abdul Halim Ghuznavi : Have a little patience. Even in an advanced country like Germany there have been three main trade organisations. We want only two. One is known as A D G B Union which has about eight million members. Secondly, Christian Unions whose members are Roman Catholics and it has over one million members.

Mr. N. M. Joshi : 100,000 *

Sir Abdul Halim Ghuznavi : I am reading from the book. Then, there is a National Trade Union called by some name which is terrible to pronounce. It has got about one quarter million members.

Mr. J. D. Boyle : (Bombay Europeans) All these have been abolished

Sir Abdul Halim Ghuznavi : Now, the point of this Resolution is this. In any Union, the number of Muslims must be very very small. Do my friends who are in the majority really expect that their majority brothers will look after the interests of Muslims?

An Honourable Member : Certainly

Pandit Lakshmi Kanta Maitra : What are their special interests ?

Sir Abdul Halim Ghuznavi : I will give you an instance from the Postal Union of which I am the President. I deplored why the Muslim employees did not join that union in their hundreds and thousands.

Pandit Lakshmi Kanta Maitra : Many joined in Calcutta. You know it.

Sir Abdul Halim Ghuznavi : That is not the point. There is a feeling among the Muslim employees that by their joining that common union their grievances will not be ventilated. I asked them to show me reasons why they should not join. Many of them came to see me in my house in Calcutta. They say this. Take for instance supersession. A Hindu has superseded a Muslim. Will the Hindu members who are in a majority take up the case of the Muslim ?

An Honourable Member : Of course, if it is a just case.

Sir Abdul Halim Ghuznavi : We are after all human beings. Then take the case of promotion

Mr. N. M. Joshi : Those are individual cases

Sir Abdul Halim Ghuznavi : Take the case of general supersessions and promotions, not individual cases. Do you think that his Hindu colleagues will take up the case of a Muslim if it affects them?

Mr. M. S. Aney : Yes, as it affects some member of the Unions.

Sir Abdul Halim Ghuznavi : The facts are that the majority of the members of any Union are Hindus. You cannot shut your eyes to facts. It is far better to have two unions and to set at rest all these difficulties.

Now, let me ask my friend, Mr Griffiths, how many Muslims the European community employs. Excepting a daftari, can they say that they have any other Muslims there?

Pandit Lakshmi Kanta Maitra : They are business men. They want to get the best work.

Sir Abdul Halim Ghuznavi : They want a Muslim daftari and nothing more. I ask the Clive Street merchants who sit here how many Muslims they have got in their employ, when they talk of Muslim interests on the floor of the House? Sir, in 1928 Sir Edward Benthall, when he came to Simla—he was the senior partner of Messrs Bird & Co., and he has now retired—asked me—they had come to see the Viceroy, I believe, Lord Irwin, about the terrorist movement that was going on in Calcutta. The terrorist movement which was then going on in Calcutta frightened them and they came to Simla to place before the Viceroy certain suggestions to protect them there. Now, he asked me to join with them in this matter and to see the Viceroy with them. I said "What for? What have you done for us? Why should we join you?" Now, Sir Edward Benthall's forefathers employed Bengalis in their offices. The Bengalis then were all god-fearing and they used to treat their firm as '*anna-data*', the giver of bread, and they used to pray for their '*anna-data*', which meant their employers. Now, what has since been done? All the Bengalis have been removed—my friend, Babu Bajnath Bajoria, will immediately attack me I know, but I mean no offence to his community—what happened was that these companies in Calcutta wanted *banias* and the *banias* were Bengalis, the job of *banias* was their hereditary job. Now they were all turned out, and these new Marwari *banias* were employed. Now, what had happened? The first son of the original *banias* was a 25 per cent terrorist, his second son was a 50 per cent terrorist, and his fourth son was a hundred per cent terrorist.

Babu Bajnath Bajoria : (Marwari Association - Indian Commerce): Question Absolutely wrong

Sir Abdul Halim Ghuznavi : What happened was this. The fourth son, who was a hundred per cent terrorist, was prepared to shoot Sir Edward Benthall, and they started shooting—of course they did not succeed in killing, except possibly in the case of one head of a firm. Now, that resulted in the heads of firms being detained in a small room with closed doors. Sir, if you go now, you will be able to see that, no one can see a head of a firm in Calcutta.

An Honourable Member from the European Benches : Rubbish!

Sir Abdul Halim Ghuznavi : I say you cannot easily see the head of a firm in Calcutta until

Mr. Deputy President (Mr Akhil Chandra Datta) : The Honourable Member's time is up

Sir Abdul Halim Ghuznavi : until you can satisfy the three junior assistants that you are Mr so and so and no other person. With these words I resume my seat.

Some Honourable Members : I move

"That the question be now put"

The Honourable Sir Reginald Maxwell (Home Member) I take it, Sir, that if the closure is accepted, I shall have my opportunity of speaking?

Mr. Deputy President (Mr Akhil Chandra Datta) That point is always understood, subject to the right of the Honourable Member to speak. The question is

"That the question be now put"

* The motion was negatived

The Honourable Sir Reginald Maxwell : Sir, after listening to this long debate, I fear that I shall be found to have little to say that has not been said before on behalf of Government on this subject or that has not been said already by Honourable Members in the course of this debate. But I can assure the Mover of the Resolution that in considering their attitude, Government have approached the question with an open mind and have endeavoured to give due weight to all the feelings of those who are in favour of the recognition of communal unions, and if I have to oppose this motion, it is only because, after full consideration, Government remain of the opinion which they have previously held that it is not either in the best interests of the employees themselves or in the interests of the general public that communal unions should be given official recognition.

I might remind the House, briefly, how the recognition of associations of Government employees originally arose. It will perhaps be within the recollection of Honourable Members of this House that before 1920 every Government servant had to submit any petition which he wished to make, as an individual, and even if there was a question of common interest to all the members of a service, they all were obliged to submit *individual* memorials on that subject. In 1920, Government, not without considerable doubt, agreed to give recognition to Associations of Government Servants, some of which had already come into existence, but only for the purpose of representations of that kind, that is, representations on matters of common interest to a whole class of Government employees. On other matters Government servants were still able, and are still able, to submit their individual memorials. In accordance with the principle of recognition then adopted it was laid down in the recognition rules that, in order to be eligible for recognition, an Association must ordinarily consist of a distinct class of Government employees, and, secondly, that every Government employee of the same class must be eligible for membership of the Association. These conditions have remained unchanged ever since 1920, and when the matter of recognition of communal unions came up again in 1932, the whole question was again considered and the same principle was re-affirmed. But, as I said before, Government servants still have the right to memorialize individually, and the effect of recognition in matters of interest to a whole class of Government servants is simply that Government officers are authorised to receive representations, whether orally or in writing, from recognized Associations, notwithstanding anything else in the rules regarding the submission of petitions and memorials. This situation is, in my view, sufficient to protect the interests of whole classes of Government servants as such, because where major issues are at stake even the majority community will recognise the advantages of solidarity in a service association or a union of Government industrial employees. In the second

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place, a union cannot afford to neglect the interests of any sections included in it without risking loss of membership and, therefore, risking loss of influence in prosecuting the objects for which it was formed. Generally, in their capacity as members of a service, the interests of members of one community are not essentially different from the interests of others. For common purposes communal unions are unnecessary and are even a source of weakness.

Sir Syed Raza Ali : Why ?

The Honourable Sir Reginald Maxwell : Here I must refer to the Honourable the Mover's remarks about the All-India Railwaymen's Federation. He said that over 90 per cent of the members and office-bearers were non-Muslims and still, he remarked, this union is supposed to be representative of Muslim labour as well as non-Muslim labour. But my answer to that would be, why not? If it is a question of labour or if it is a question of any common interest of that class of employees, there is no reason why a union of which the office-bearers are 90 per cent Hindus or non-Muslims and ten per cent Muslims should not represent that matter of common interest as well as a union of which the office-bearers are ten per cent non-Muslims and 90 per cent Muslims. I cannot see how that argument of the Honourable the Mover strengthens his demand for recognition of communal unions for purposes which affect whole classes of Government servants, that is, what I might call service matters proper. Indeed, as I said, it may be a source of weakness to have a service divided by different unions. For instance, if different unions exist within a service, pulling in different ways, it will be too easy for Government as for any other employer to play off one against another and to exploit any differences in their demands. If, for instance, a certain union wanted to strike for a certain increase of pay and the other union wanted to stay in and get their jobs, could Government or any other employer be blamed for taking advantage of the position in which they themselves had put themselves?

Sir Syed Raza Ali : I am afraid the Honourable Member is dealing with the case of a trade union and not with the case of a union of Government employees. The Honourable Member has not said a word whether the Act of 1926 comes into play at all.

The Honourable Sir Reginald Maxwell : I might read to the Honourable Member the definition of a trade union

"A trade union means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between employers and employers."

That is the definition of a trade union and it would cover any association of industrial Government employees. In fact, most of the unions to which this Resolution refers are either registered already under the Trade Unions Act or are eligible for registration under that Act. It is only the Associations of non-industrial Government employees which do not come under the Trade Unions Act.

Sir Syed Raza Ali : That is the point.

The Honourable Sir Reginald Maxwell : But the Resolution refers to unions generally. And, in fact, much of the debate refers to such unions as the Union of Railwaymen, who are clearly industrial employees and are governed by the Trade Unions Act.

There is nothing in the rules relating to the recognition of unions which would prevent the recognition of a separate union formed by any minority within the service provided that it is open to all members of the service and is not avowedly communal. That is to say, if any minority is dissatisfied with the conduct of affairs by its union, it can always form another union provided that the union is open to all that class of employees. There is nothing to prevent the Musalmans from forming a union of their own and obtaining recognition for it.

Dr. Sir Ziauddin Ahmad : May I ask a question? Can a person who is not a member of that service be a member of that union?

• **The Honourable Sir Reginald Maxwell :** No, Sir, I do not think so.

Now, let us consider what the object of these communal unions or associations could be. As apart from what I call general service matters, for which a non-communal union, as I have said, would be equally serviceable and probably more effective, the object of a communal union can only be or must mainly be to make representations on one of two subjects, either recruitment or promotion. Now, take these separately.

Sir Syed Raza Ali : Or punishment or dismissal.

The Honourable Sir Reginald Maxwell : That like promotion, will come under the general head of discipline, but it is a matter which affects individuals only.

In recruitment questions, I must affirm again, Government do not recognise the right of any section of their employees to be consulted as regards the principles to be followed in selecting and admitting outsiders into Government service. A union can have a voice only in matters affecting those already in the service. Recruitment is a matter on which Government have to deal with the public at large and the politicians. Therefore, when my Honourable friend, Sir Syed Raza Ali, argues that communal unions are necessary in order to help in having the 1934 Resolution enforced, his argument is entirely irrelevant to the Resolution before the House. The 1934 Resolution is a matter of recruitment. I am well aware that is a service matter which greatly agitates communities in this country and which gives rise to most questions in this House and so forth. It may have to be taken up by organisations representing particular communities. It may be a matter for a Muslim organisation to take up, but it is not a matter on which a communal union can be recognised as having a right to approach Government, that is to say, a union of Government servants. That point, therefore, is irrelevant.

Again, the other point on which representations might be made by communal unions would be matters of promotion, and in promotion I include discipline. Promotion and discipline are two aspects of Government service. Here, again, either promotion or discipline is essentially a matter affecting individuals, and in accordance with the objects for which recognition was allowed by Government, no representations will be received unless they relate to matters of common interest to the class of servants concerned. That principle is embodied in Rule 5 of the recognition rules. It is clearly impossible to reconcile representations for the promotion of individuals with the discipline of a service, nor would it be in the interests of a service itself. It would divide the service into warring camps, each supporting the claims of its own nominees, and, ultimately, the only logical development would be a system of promotion not by selection but by election. Well, Sir, the present position is, as I have already explained, that unions can be formed by any

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sections of a service and would be entitled to claim recognition provided they are open to all and provided they are not communal. Moreover, Government do not prohibit the formation of communal unions or associations of its employees except in services under the control of the Secretary of State. Their discouragement of communal unions or associations extends only to non-recognition. That is, it is not a contravention of the Government Servants' Conduct Rules to join an un-recognised Union in services under the control of the Central Government and not under the control of the Secretary of State. One may well doubt whether indeed too much licence is not allowed to Government servants in that respect and whether, if it is necessary to lay this prohibition on Members of the Secretary of State's services, the same argument would not apply *a fortiori* to less responsible services under the control of the Central Government. But at any rate this non-prohibition of joining communal Unions is as far as the Government could go.

Now, Sir, it may be asked what is the use of joining unions which are not recognised, if they cannot make representations on our behalf. Well, Sir, associations formed on communal lines, but unrecognised, can, I think, fulfil certain legitimate functions. For instance, they can organize themselves to help members of their associations through their difficulties, whether service difficulties or other difficulties, and can raise funds for such purposes. They can give advice to their members about the application of the rules and regulations, they can help them to draft their individual memorials if they wish to memorialise and in fact the only effect of non-recognition is that the union itself or the association itself cannot make representations direct to the Government officers who are over the services. Thus, I would contend that members of minority communities are not really prejudiced by non-recognition, and I think it is not really seriously contended by the Honourable the Mover of the Resolution that they are so prejudiced. The main object of the Resolution as it appears from the speech of the Mover is to assert it as a matter of principle that Muslims cannot accept representation by others, even where their interest are the same.

Sir Syed Raza Ali : Their interests are not the same. That is the trouble

The Honourable Sir Reginald Maxwell : I would quote what the Honourable Member, Mr Muhammad Nauman, said "They cannot combine with any other nationals or with the people of any other community in this country, in any sphere of activities". I would also quote what the Honourable the Mover of the Resolution said

"But as soon as he enters Government service, the Government of India expect that he should submerge his identity as a Musalman. This is far from being correct. Musalmans are not only a distinct class, they are definitely a separate nation."

Now, Sir, I want to contest that point of view. Such a principle, I would submit to this House, is wholly out of place in Government service. I think that some of the arguments used in this debate have shown a wrong conception on that subject. It was argued by the Honourable the Mover, for instance, that a parallel could be found in the fact that Muslims are represented separately in this Assembly. But the representatives of Muslim constituencies are here for that express purpose. They are here as politicians representing a special interest. But Government servants are not recruited whether under communal percentages or otherwise in order that they may do for one community what they would not do for another community. That is my point. They come in as servants of a non-partisan Government, in carrying on services

for the benefit of all taxpayers and all citizens alike. If the argument used by the Honourable the Mover about separate representation were carried to its logical conclusion and if his analogy held good, it would mean in fact, let us say, that Muslims can buy their railway tickets only from Muslim booking clerks and Hindus can buy their railway tickets only from Hindu booking clerks.

Sir Syed Raza Ali : If I may interrupt, would the Honourable Member look at it from the other point of view. If his argument is carried to its logical conclusion it means that if either the whole of the Muslim or the Hindu community is ignored in the matter of appointment and the remaining community fills all posts, the community not so appointed can have no legitimate grievance because the other community is there to represent it.

The Honourable Sir Reginald Maxwell : My Honourable friend is again returning to the question of recruitment which, as I tried to explain, apparently in vain, is not relevant to this Resolution.

I would, however, if I may continue, allude to Sir Henry Gidney's question : why should there be one policy in recognising communal percentages in services and another policy in refusing to recognise communal unions ? Now, apart from the fact that "recognised" is used in two quite different senses, the answer is that the first is a question of recruitment and the second is a question of conduct after recruitment. The two are entirely different things. There is no analogy at all. I wish to submit, therefore, that this House should, in considering a Resolution like this, give a lead in doing everything in its power to discourage organized communalism in public services. It will be within the recollection of this House that during this present Session, I had a number of questions raised about the conduct of census enumerators. Actually, as a matter of curiosity, I called for a list of the various petitions which the Government or the Census Commissioner had received containing complaints or representations from organisations representing different communities about matters of communal interest arising in regard to the census enumeration. There is a list of 62 such representations which I have in my hand. Some of them come from Muslim bodies and some of them come from bodies representing the Hindus or the Sikhs or various other classes. Where I get representations from both sides alike complaining, we will say, that a communal attitude has been taken up by a census enumerator or some communal sympathy shown, surely I may take it that the whole House is agreed that any manifestation of communal sympathy by a Government servant in carrying on his duties is entirely deplorable. Nobody in the House can contest that statement and in fact I do not think that there is any Honourable Member of this House who, as a private individual, would welcome a communal attitude among Government servants of another community with whom he had to deal. I am aware that there has been a feeling in some provinces, and it has done a great deal of harm, that the Muslims cannot obtain impartial treatment from Government servants under the influence of a non-Muslim Ministry. I want to ask the House how can a feeling of suspicion—I do not admit that it is correct in any way, but I say, that suspicion has arisen in some provinces—I ask how that feeling of suspicion could possibly be removed if Government servants were encouraged to unite for purely communal purposes. Surely, it is the duty of Government servants to inspire all members of the public whom they serve with confidence in their own impartiality. Instead of pursuing communal objects themselves they should rather be an example to others of the principle that all citizens have equal rights and are equally entitled to the benefits of good Government. And it is only so that the minority problem which so deeply vexes this country can ultimately be solved. Sir, I oppose the Resolution.

Lieut.-Colonel Sir Henry Gidney : Sir, on a point of personal explanation, the Honourable Member mentioned me and said that I favoured communal unions and quoted as a reason that if Government gave a percentage of employment to Anglo-Indians and Muslims and if the latter demanded communal representation and communal unions, Government should grant this Sir, I did not support communal unions at all and never have done so I simply offered this percentage employment as an example of give on the one hand and refuse on the other If you give communal percentages in employment I said why do you refuse the recognition of communal unions It sounds illogical And I again suggest to the Honourable the Communications Member that he should ask representatives of all communal employees to attend the bi-annual conferences when he meets the Federation of Railway-unions

Several Honourable Members : The question may now be put

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

“ That the question may now be put ”

The motion was negatived

Nawabzada Muhammad Liaqat Ali Khan (Rohilkund and Kumaon Divisions Muhammadan Rural) Sir, one Honourable Member after another has been getting up in his place to put forward the claim of the union of which he happens to be the President I, Sir, am not the President of any union, not only that but I have on many occasions declined to be the President of these unions of Government employees and I shall in a little while tell you why I have done that My honourable friend, Mr Joshi, thought it was a good opportunity of doing his propaganda stuff against the Muslim League He said, “ You Muslim Leaguers are not well-wishers of the poor , you do not represent anybody, and it is I, Mr Joshi, alone who can speak on behalf of the down-trodden poor and the depressed ” Sir, may I tell Mr Joshi, “ Don't you think you should leave the Muslim masses to decide for themselves whether the Muslim League represents them or Mr Joshi represents them, and whether the Muslim Leaguers are their well-wisher or Mr Joshi is their well-wisher ? ”

Mr. N. M. Joshi : Yes

Nawabzada Muhammad Liaqat Ali Khan : Coming to the speech of Mr Griffiths, as usual in a very eloquent speech he opposed this Resolution. I hope he will pardon me if I were to say that most of his speech was devoted to something that might come hereafter As a matter of fact, if I remember him aright, he said that at this moment it only refers to unions regarding Government servants but this principle might be introduced in connection with other unions regarding employees in industry, in tea plantations and other places. Sir, Mr Griffiths' speech was,—if I may use the term,—a post-dated speech, and like a post-dated cheque it has no value for the present When we come to discuss that question I have no doubt the Honourable Members will read Mr Griffiths' speech with great interest But at this moment we are really concerned with the subject-matter of the Resolution Sir, my Honourable friend Mr Jamnadas Mehta, arrogated to himself the right to represent everybody who was connected with labour When one of my Honourable friends asked him what the percentage of Muslim employees was in his union he said, “ That makes no difference I do represent and shall represent them irrespective of whether there is any Muslim or not ” In other words the Honourable Member seems to think that he had been ordained by God to represent all the labourers,

whether he has any one in his union or not. After having defeated the Congress candidate in the election to the Assembly, Mr Mehta thinks that he has qualified himself to vie with the leader of the Congress organisation. I remember Mr Gandhi once stated that even if there was not a single person left in the Congress organisation the Congress shall continue to represent the people of India. In the same way my Honourable friend, irrespective of whether there are any appreciable numbers of Muslims in his organisation or not, would represent the Muslim employees in this country. Then he gave us some names of Muslims who are his Secretaries, Joint Secretaries, and so on. But I may tell my Honourable friend that "one swallow does not make a summer."

• **Mr. Jamnadas Mehta :** There are many swallows

Nawabzada Muhammad Liaqat Ali Khan : My Honourable friend says, there are many swallows, I think he has swallowed them up! It is exactly the same thing as the Congress claim to represent all the Muslims because they happen to have a Muslim as President. This sort of argument will not convince anybody of the non-communal nature of these common unions as they are today. Nothing would be really better than if we did not have this virus of communalism. But it does exist. As a matter of fact, anyone sitting in the gallery and listening to the debate today would come to the irresistible conclusion that there are no Indians in this country but they are either Hindus or Mussalmans. So what is the use of talking like that?

It would have been much better if my Honourable friends had really confined themselves to the subject-matter of this Resolution and not gone into the question whether India has two nationalities or four nationalities or one nation and so on. My Honourable friend, Mr Jamnadas Mehta had to go as far back as 1931 to establish his claim that he had really worked for the employees belonging to various communities. He referred to the dearness allowance. Of course, Mr Joshi was not going to be left out of that, he came forward and said that he had done more than Mr Jamnadas Mehta ever, did.

Mr. Jamnadas Mehta : I was not competing with Mr Joshi

Nawabzada Muhammad Liaqat Ali Khan : Then, my friend Mr Aney, referred to the international aspect of this problem. I would only say this:

"*To Kare Zamin ra nsko sakhti,
K's be asman nz pardakhit.*"

"Have you really settled the affairs of this earth so well that you should meddle with the affairs of the heavens?"

"Have, you really settled your national problem that you should go on talking about internationalism? What is the use of talking like that?"

Mr. M. S. Aney : If I may just interrupt for a second—I only want to say that unless you look up to the heavens, you will never be able to settle the affairs on earth.

Nawabzada Muhammad Liaqat Ali Khan : I agree with my Honourable friend; but those who are looking up all the time are sure to have a fall. You must look down also sometimes.

I now come to the speech of the Honourable the Home Member. He has told us that the Government's position is exactly the same as it was in 1920. He told us that they had reconsidered it in 1932 and they had come to the conclusion that it would be a wrong policy to recognise these so-called communal unions of government servants. My Honourable friend, Sir Raza Ali, had

[Nawabzada Muhammad Liaqat Ali Khan]

really made out a very good case when he stated that the interests of the Muslim servants of Government were opposed to the interests of the Hindu servants of Government, and he asked a question from those Honourable Members who claimed to be the only well-wishers of the employees,—whether they be Government or other employees,—“ Will you here and now give an undertaking as honourable men to fight for that privilege, for that right which the Muslims have acquired under the Government Resolution of 1934 ? ” Mr Joshi said “ No ” If I remember aright, Mr Jamnadas Mehta while speaking on this Resolution stated that he was opposed to this communal representation in the service In view of these assertions, can anybody really blame the Muslims if they have the fear that in a joint movement of this kind, they being in a hopeless minority, their interest is bound to suffer ? The Honourable the Home Member said that the Government had really done a great favour to their employees by allowing them to form themselves into associations and then he said that the only thing that we have not done is that we have not given them a right to approach us directly. May I tell him, do you not think it would be better if your employees approached you directly regarding their grievances rather than that they should approach us and we should raise all those questions on the floor of this House ? Did they not see what happened the other day when all the Muslim Members of this House walked out as a protest against the attitude of the Government regarding their Railway employees ? Do you want that your employees should be disloyal to you and loyal to us,—the so-called politicians ? I think every government should create a sense of confidence amongst its employees and should give them all possible opportunities of placing their case before them, so that they may be satisfied by approaching Government and not go to others who are outside the Government

We are told that as regards recruitment it is a Muslim political organization that can put forward the claim I agree As far as representation in the services on communal basis is concerned, I agree with the Honourable the Home Member that it is not the function of Government employees to say as to how that recruitment should be made and from what quarters that recruitment should be made I entirely agree with him, but your policy is really not restricted to this one particular act Your policy is such that you are forcing those whom you call politicians to enter into all these matters, because you do not allow one section of your employees to approach you The Honourable the Home Member said that if they had these communal unions, then, of course, the feeling would exist that justice will not be done to others For what purpose are these communal unions formed ? We want only that they should be allowed to present their case direct regarding matters where only the interests of Muslims or, may be, other minority communities are affected. I do not see any difficulty about that A great deal of confusion has been created by stating that the rate of wages, hours of work, etc are the same I do not deny it, but it is not a question of rates of wages and hours of work Why should you fight shy of allowing the employees belonging to these minority communities to approach you ? As a matter of fact, if I were the Government I would welcome it, because then all this trouble that is being created on the floor of this House and hundreds and hundreds of questions that are being put to you, they will all stop because your employees will have confidence—

An Honourable Member : On the contrary they will increase all the more.

Nawabzada Muhammad Liaqat Ali Khan : that they have approached the Government and would feel satisfied that their case has reached the highest authority. They really come to us because they have a feeling that their case never reaches those Honourable Members sitting over there. That is the feeling that exists amongst them. To my mind it seems that from the arguments that have been advanced in opposition to this Resolution the danger of any evils coming out of it is less than the chances of some good coming out. It is not a matter where common interests only are concerned. Where there is any question of common interest, these communal unions are not going to approach the Honourable Members over there.—

Bhai Parma Nand : Will you allow the Hindus to have any such unions or not ?

Nawabzada Muhammad Liaqat Ali Khan : Certainly, yes. As a matter of fact I would much rather that the two large communities in this country gave up this camouflage of all-India and nationalism.

Mr. Deputy President (Mr. Akhil Chandra Datta) The Honourable Member's time is up.

Nawabzada Muhammad Liaqat Ali Khan : and, therefore, I strongly support the Resolution and I would appeal to the Government to reconsider their position. It will strengthen their position as Government much more if they allow their employees to approach them directly than to allow them to approach us.

Maulvi Abdur Rasheed Chaudhury (Assam Muhammadan) Sir, I have listened to the debate and I wish that like my friend, Mr. Jamnadas Mehta, and some other Members of this House, we were all human beings first and Hindus or Muslims afterwards. If that had been so, all these communal bickerings would have ended long ago. It is a fact that that period of which my friend, Mr. Jamnadas Mehta, dreamed has not yet come to this country. I wish that my friend, Mr. Griffiths, as also my friend, Sir Abdul Halim Ghuznavi, who supported the propaganda scheme the other day, will include this propaganda in their scheme and approach people in this country that everybody should be a human being first and a Muslim or Hindu or Christian afterwards. When that millennium comes and everybody holds this universal opinion, then there would not arise any question of communal interest or communal bickerings or a demand for a certain proportion of appointments for a particular community. But, today, what do we find ? The lessons which we are getting through the English language teach us how to speak one thing while we mean quite the reverse. The English language is so elastic that whatever we may have at heart, we can express it in quite a different way so as not to give even the remotest idea of what really we have at heart.

Now, Sir, what are these trade unions, common unions or other associations ? They seem to mean one thing, while they act in quite a different way. They are just like the League of Nations. The League of Nations which was established with a view to bring peace to the whole world failed to achieve its object, because it was found that it was nothing but a League for the preservation and exploitation of British interests in the world. The League of Nations failed, and it miserably failed, and we are now paying the penalty for it. We are now faced with a war, the like of which the world has never seen before. Now, Sir, so far as the trade unions are concerned, they claim to represent the interests of everybody, but not the interests of Muslims. If you go and have a look at Clive Street in Calcutta, you will find that there are about fifty thousand people working in different parts, with the exception of daftaries

[**Maulvi Abdur Rasheed Chaudhury]**

and men of that class,—you will not find anybody above that rank in any of these agency houses. The fact remains that the time for entertaining that high hope that all are human beings and are not communalists is yet far off.

Now, Sir, so far as the trade unions are concerned, all right thinking people belonging to all communities are simply tired of listening to communal questions in this House.

Now, Sir, in the course of the last two months, what useful questions have we put except those relating to appointments to certain members of different communities, posts given to some members in one branch or department of the Government or another? That shows, Sir, that there is something radically wrong somewhere. That shows that the way in which things are carried on under this administration is all wrong. Sir, I feel ashamed myself to say that I had to repeat a question on the same subject twice. Since 1934 the proportion of Muslim appointments has been fixed in the Railway Department. So far as I remember, it is 25 per cent. The question has been discussed in this House so often, yet even after a period of seven years, what do we find? The Muslim community have not got even 6 or 7 per cent. My friend the Honourable the Communications Member,

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban):
Is that correct?

The Honourable Sir Andrew Clow : It is not correct, but I didn't bother to correct it.

Maulvi Abdur Rasheed Chaudhury : I should be glad to be corrected.

The Honourable Sir Andrew Clow : The 25 per cent is for recruitment, and it has been maintained.

Maulvi Abdur Rasheed Chaudhury : I stand corrected, Sir, but the fact remains that Muslims are not getting and have not got the proportions which they claim. Why is it so, Sir? Why should these delicate questions be brought before this House so often? I think that if everybody had felt the same amount of responsibility, then these matters would have been settled once for all. I would accuse even the Communications Member, because he has allowed these things to come up to this House so often. If once he settles that a certain proportion should go to a particular community, and if he adheres to it, then the question would not come up here at all. But, Sir, the difficulty is, there is some loophole even in the methods of the authorities who control the destinies of this country. My friends on the Treasury Benches themselves show partiality even in the case of Europeans, and so they cannot keep control over their subordinates so far as maintaining a proportion in regard to other communities. At present it is a misfortune that the Muslim community entered the field somewhat late in the day, and, therefore, the other communities have monopolised all the services, all the loaves and fishes of office. Now, the authorities feel quite helpless, they are not able to enforce their ideas and orders through their subordinates, simply because they themselves show partiality even in their own case, and so when the question of partiality is raised by their subordinates, they cannot boldly face the facts, because their subordinates turn round and tell the authorities—Oh you show partiality and so why should we not show partiality to our community? They say—you have got commercial

discrimination, and so why should we not show discrimination for Muslim interests and so on.

Then, Sir, the Honourable the Home Member said that these communal unions are not to the good of this country. Well, if by the country he means people of all communities and not merely Muslims, it is all right; but the fact remains that the grievances of Muslims have remained unredressed, and until and unless their grievances are removed, communal bickerings and communal bitterness can never be expected to disappear. Sir, it is high time that both the Government and the majority community rose to the occasion and felt their responsibility and removed the grievances of the minority communities. Till that is done, I think the communal questions that have been raised should be supported, and I provisionally support this Resolution, that is, till the time that is aimed at by my friend, Mr. Jamnadas Mehta, comes.

Some Honourable Members : The question may now be put

Mr. Deputy President (Mr Akhil Chandra Datta) : The question is:

"That this Assembly recommends to the Governor General in Council that the present discriminatory policy of Government as regards the recognition of so-called common unions of Government employees and non-recognition of the so-called communal unions of Government employees should be abandoned forthwith and unions of employees belonging to any particular section or community should be officially recognised."

The Assembly divided:

AYES—17.

Abdool Haroon, Seth Hajji Sir.
 Abdul Ghani, Maulvi Muhammad
 Abdullah, Mr. H. M.
 Abdur Rasheed Chaudhury, Maulvi
 Azhar Ali, Mr. Muhammed.
 Faiz-i-Haq Piracha, Khan Bahadur
 Shaikh.
 Ghuseuddin, Mr. M.
 Ghulam Bhuk Naarang, Syed.
 Ghuznavi, Sir Abdul Hahm.

Ismail Khan, Hajji Chaudhury Muhammad
 Laqat Ali Khan, Nawabzada Muhammad
 Murtuza Sabir Bahadur, Maulvi Syed.
 Razvi Ali, Sir Syed
 Siddique Ali Khan, Nawab
 Yannan Khan, Sir Muhammad
 Zafar Ali Khan, Maulana.
 Ziauddin Ahmad, Dr. Sir

NOES—48.

Abdul Hamid, Khan Bahadur Sir
 Abdul Hamid, Khan Sahib Shaikh
 Aney, Mr. M. S.
 Bajaria, Babu Baynath.
 Banerjee, Dr. P. N.
 Bewoor, Sir Gurunath
 Boyle, Mr. J. D.
 Buss, Mr. L. C.
 Caroe, Mr. O. K.
 Chattopadhyaya, Mr. Amarendra Nath.
 Chettiar, Dr. Rajah Sir S. R. M. Anna-
 malai.
 Chow, The Honourable Sir Andrew.
 Dalal, Dr R D
 Dalpat Singh, Sardar Bahadur Captain.
 Das, Pandit Nilakantha.
 Debeja, Mr V. T.
 Deshmukh, Mr. Govind V.
 Gidney, Lieut.-Colonel Sir Henry.
 Gopalaswami, Mr. R. A.
 Griffiths, Mr. P. J.
 Gwilt, Mr. E. L. C.
 Ikramullah, Mr. Muhammed.
 Imam, Mr. Sayyid Haidar.
 James, Sir F. E.

Jawahar Singh, Sardar Bahadur Sardar Sir.
 Joshi, Mr. N. M.
 Kamaluddin Ahmed, Shams-ul-Ulema.
 Kushpal Singh, Raja Bahadur.
 Lalchand Navlrai, Mr.
 Lawson, Mr. C. P.
 Matra, Pandit Lakshmi Kanta.
 Manavedan, Raja T.
 Maxwell, The Honourable Sir Reginald.
 Mezharul Islam, Maulvi
 Mehta, Mr. Jamnadas M.
 Miller, Mr. C. C.
 Mudaliar, The Honourable Diwan Baha-
 dur Sir A. Ramaswami.
 Mukherji, Mr. Basanta Kumar.
 Oulman, Mr. S. H. Y.
 Parma Nand, Bhai.
 Pillay, Mr. T. S. S.
 Raisman, The Honourable Sir Jeremy.
 Sant Singh, Sardar.
 Scott, Mr. J. Ramsay.
 Spence, Sir George.
 Thakur Singh, Captain.
 Thomas, Mr. J. H.
 Tyson, Mr. J. D.

The motion was negatived.

RESOLUTION RE LOW PRICES OF INDIAN COTTON.

Mr. Govind V. Deshmukh (Nagpur Division : Non-Muhammadan) : Sir, I beg to move :

" That this Assembly views with great concern the low prices of Indian cotton, especially short staple, in the current year due to loss of foreign markets on account of war and their result on the general economic condition of the cotton growers in India, and recommends to the Governor General in Council to give effect, as early as possible, to the recommendations made by the Indian Central Cotton Committee in its resolution passed on this subject in its meetings held on the 17th and 18th January, 1941, at Bombay."

The recommendations made by the Indian Central Cotton Committee in its resolution passed on this subject in its meetings held on the 17th and 18th January, 1941, at Bombay are as follows .

" The Indian Central Cotton Committee views with increased concern the low prices of Indian cotton, especially the short staple cotton mainly as a result of the loss of foreign markets in Europe and unsettled conditions in the far East and finds that the economic condition of the Indian cotton grower is in a large part precarious and there are strong reasons for believing that it will further deteriorate unless prompt steps are taken to deal with the situation. The committee accordingly recommends that the Government of India should take such steps in the interests of the cotton growers as may be necessary to relieve the situation. The Committee in this connection desires to make the following recommendations

1. The Government of India in co-operation with manufacturing and trading interest should take effective measures to expand the consumption of the cotton goods and cotton and woollen mixtures in this country and their export overseas. This should include sinter alia—

(a) Directions to the Department of Supply and the Indian Stores Department that except in such cases where it is absolutely essential to ask for cloth requiring the use of long staple imported cotton, specifications for their requirements should be so framed or altered as to encourage the use of Indian cotton

(b) Representations to all Colonial and Empire Governments to ensure that India's cotton goods are admitted to those countries on the same terms and conditions as are accorded to the British cotton goods

(c) The adoption of suitable measures for restricting the import of cotton goods and artificial silk yarn and piece-goods into this country

(d) The establishment by the Government of a Central Export Organisation with suitable arrangement for the inspection of goods before export and a deputation of the trade delegation to other countries for the purpose of carrying out propaganda and exploring the possibility of introducing the Indian Cotton manufactures

2. Subject to the exigencies of war demands on shipping more adequate facilities should be provided for the export of Indian cotton, special preference being given to the short staple cotton

3. Foreign cotton should not be purchased by the Government for sale in India

4. Financial assistance should be afforded to mills and the trade by the Government for the warehousing of stocking of more than their normal holdings of short staple cotton."

Now, Sir, I will be very brief in putting my case before the House.

An Honourable Member : What was the price in January ?

Mr. Govind V. Deshmukh : If you do not interrupt me, I will give you lot of information. My idea is to put my case as briefly as I can so that I may have a statement from the Commerce Member. As I said, I will be very brief in my remarks. You will find from this Resolution that the Cotton Committee views with increasing concern the low prices of Indian cotton. Let me give you some instances which must have made this Central Cotton Committee view with concern the situation created by the economic condition. At least in

Central Provinces and Berar, there was a continuous depression for about 10 years and the position of the agriculturists became so intolerable to them that the *Kisan*s marched to the Government revenue officers and the Central Assembly and a Resolution was moved on the floor of the Provincial Assembly asking for the reduction of revenue by 50 per cent and a proposal was made by Mr. Khaparde, an ex-Minister of the province that a crisis should be created on this question of the granting of relief to the *Kisan*s. This was at a time when there was a Congress Ministry in existence in the province. Unfortunately matters drifted. The Congress vacated office and the Ministers went into wilderness. I have given you this instance because similar things may have happened in other provinces. Now, I describe the situation, and there can be no disagreement on this point, that it was the result of low prices of Indian cotton and the short staple cotton shared a worse fate. Now, why did the prices become so low? The general explanation given is that the prices are low, the article which goes into the market fetches less price, because the production of the article has grown more and more. In other words, production has increased more than the demand.

Now, I will show you by reference to the figures that the production has in fact gone down and down. First of all there has been a reduction in the acreage of cotton cultivation. I shall give you the figures. So far as the year 1928-29 is concerned, the area under cotton was 16,507,146 acres. In 1937-38, it was 15,358,719. The acreage has, therefore, gone down. There was a decrease of more than 1,148,427. In the whole of India, the area has been reduced and the cotton crop output was still further reduced on account of bad seasons. They were so unfavourable to the agriculturist that during this period of ten years, the cotton crop was never more than six annas. It never reached 16 annas. You can realise that as a result of both the things the cotton production was less and yet, it fetched the lowest price, because the exports were less.

Now, I shall give you the figures of the exports of Indian cotton in thousand bales of 400 pounds net. I am giving you the exports to the markets which we have lost, namely, Germany, Belgium, France, Spain and Italy. In the year 1928-29, position was as follows:

	1928-29	* 1938-39
Germany	315	168
Belgium	356	136
France	223	162
Spain	81	15
Italy	403	86

The total of the European markets excluding the United Kingdom was 1378 in 1928-29 and 567 in 1938-39.

Sir Abdul Halim Ghuznavi (Dacca cum Mymensingh · Muhammadan Rural) What are the exports to Japan?

Mr. Govind V. Deshmukh: The figures for Japan are 1928-29—1722 and in 1938-39 it was 1529.

Then let me also make it plain that in the exports which were curtailed short staple cotton, staple less than 7/8th of an inch, shared a very bad fate. Exports were like this of *Oomras*. These are in thousand bales of 400 pounds each.

1929-30.	1937-38.	1938-39.
1,241	681	738

[Mr. Govind V. Deshmukh.]

So, so far as this question of export is concerned, we have seen that it is getting reduced and reduced. The war broke out and the prices went up a bit. As soon as the prices of food crops and money crops such as cotton went up, there was a cry for the control of prices. I think it was the worst possible method and the worst possible war measure that could have been adopted by this Government, because it has killed the agriculturist. He had expected to survive with the boom season, brought about by war. I would have been in favour of exercising control over the prices of manufactured goods, but when, for so many years, from 1929-1939 the agriculturists every year suffered a loss and so heavily that they could not take out of the soil half or even one third of whatever they had invested in it every year and even when they lost so much, nobody came to their help, and the persons who were drawing profits handsomely and those who were controlling from Simla or elsewhere never said, "oh, the agriculturists are in a bad condition, they must build up their reserves and we must help them a bit". As a matter of fact what happened was this, that everybody, the Government servants, the Government pensioners, the manufacturers, everybody, started shouting, "oh, the prices of agricultural foodstuffs are going up and other things are going up", and that induced the Government to put down their foot and control prices. I decidedly say that this was the worst possible measure that could have been adopted by this Government. I would have had no grievance if the prices of manufactured articles were controlled. I would have had no objection if a dearness allowance was allowed out of the excess profits which the manufacturers were making out of these raw products, but to deny this particular advantage which the agriculturists were deriving on account of the war was, I am quite sure, a crime, from every point of view.

Dr. Sir Ziauddin Ahmad (United Provinces Southern Division : Muhammadans Rural) : Why was it a crime ?

Mr. Govind V. Deshmukh : Well, people started shouting in the newspapers, "the prices are going up", some saying that the prices of sugar were going up, and some saying that the prices of some other things were going up— as I have said, the middle class, the upper class and the higher class and members of all communities who were in this particular class, from the middle to the highest, started shouting against the prices of agricultural products going up.

Sir Muhammad Yamin Khan (Agra Division : Muhammadan Rural) : In the Congress papers ?

Mr. Govind V. Deshmukh : Everywhere, in the *Statesman*, the *Times of India*, everybody started shouting, with this result (Interruptions) I have got very little time. Sir, there was, therefore, a recession in prices; and when we said that the prices have receded too far, it was said that that was an exaggeration, and I read from the copy of the Honourable the Finance Member's Budget Statement this sentence. He says as follows. There was :

"a marked fall of prices in the summer of 1940. This recession has, however, been magnified in some quarters to undue proportions, and it is well to view the facts in proper perspective."

—And I also want to view the facts in proper perspective. He says :

"In the first nine months of the fiscal year 1938-39, our exports to all destinations amounted to 122 crores; in the first nine months of the present fiscal year they amounted to 144 crores."

Now, was this on account of any expansion of the exports of agricultural products and their fetching good prices? The going up of the exports and the rise in the value of these was due to the Government articles or material which were necessary for carrying on the war in Egypt and other places and supplying the Colonies with war munitions. There is no mention at all that there was to any slight extent any advantage which we agriculturists derived from any increase in our exports. Then as regards other matters, there is no mention of the volume of new exports and there is no mention, so far as agricultural products are concerned, that they derived any benefit in this period. Then he says.

"In the second place, prices as a whole are still some fifteen per cent higher than they were at the beginning of September 1939 and those of certain commodities, e.g., raw materials, are considerably higher."

I say this is an incorrect statement. What I say is this. When the price of cotton started going down, I in my own Province started an agitation that certain other money crops should be introduced, and having about two years ago heard the debate on the Indo-British Trade Agreement I came to know that Linseed enjoyed a certain preferential advantage because there was no competition. Argentine was the only country competing. But on account of the special quality of Indian linseed and preference given, India enjoyed a monopoly. Then I started the agitation that this crop should be introduced side by side with cotton and I also said that groundnuts should be introduced. What is the result? The result is here. That statement of the Honourable the Finance Member had better be scrutinised in the light of this. Linseed, it may be remembered, in September, 1939, was Rs 7-2-6 and in February, 1941, when the speech was made, it was, Rs 6-5-0. Does that indicate any 15 per cent higher than the prices prevailing in September, 1939? Take groundnuts. In September, 1939, it was Rs 30-6-0. In February, 1941, the price of groundnuts was Rs 19-4-10. Does this indicate a 15 per cent increase in prices of groundnuts over the prices prevailing before? I may as well mention the *Omoras* cotton, which is Rs 56 or 57—hardly sufficient even to maintain the ordinary expenses of agricultural labour tied to the soil. That being so, my grievance is that we have lost the foreign markets, we have had very low prices, and what have Government done to give us a stimulus, to put us on an economic level of prices? Nothing of the sort. His Majesty's Government were very generous when they purchased the Egyptian crop of cotton during the period of the war and for one year more. They have done the same thing towards the Colonies where the question of purchases of wools and other articles were concerned. They made similar contracts with other nations which are either their Colonies or non-Empire nations. Not only that but the British Government's agents were purchasing groundnuts here and they got more prices than what they paid for. The British Government paid their agents £10 per ton for the purchase of Indian groundnuts but the Indian sellers scarcely received £7 10s 8d per ton and the whole of the margin was pocketed by the purchasing agents of the British Government. So the agents of the British Government made a mess of the whole thing; they never cared for the interests of the Indian agriculturists. Sir, I have got no hesitation in saying that the agriculturists will not be captivated by the song of the siren, the Honourable the Finance Member, "oh, the prices have gone up by 15 per cent, and India has benefited, and so on and so forth." What they will inquire is—has agriculture been benefited? If so, how? Has the cotton crop or have the recently introduced money crops gained anything? No, Sir. The position has worsened. How has it worsened? We have lost markets in Europe, we have lost markets in a part of Asia, our export markets are getting reduced and reduced.

[Mr. Govind V Deshmukh]

I have shown how the position has worsened after the passing of this Resolution. Then, there was the Lease and Lend Bill of the United States. The Bill created hopes amongst the Americans that their cotton will now be released for sale to the United Kingdom. There was the export subsidy and all other facilities. First of all, it was given out in the newspapers that there is a possibility of this being done. Then I read in the newspapers the news that 10 million dollars worth of cotton was to be sent to the United Kingdom by America. In other words, we are losing everywhere and His Majesty's Government does not care two pence whether we lose our cotton market in America, in Europe or in Asia or anywhere else. It is principally concerned with its own affairs and is trying to save its own life. If they are trying to save their lives, the agriculturists of India also want to save their lives. Please remember "a bold peasantry, a country's pride, once destroyed can never be supplied". These agriculturists have always fought their nation's battles. If they are convinced that the Government is not going to help them, there would be a very poor response from these men to join the Army and I should not be surprised if there is no response from them at all to join the Army. Moreover people starving unto death could hardly be expected to be physically fit to fight.

Now, Sir, I come to certain improvements made in the matter of price so far as this country is concerned. I want to show that the Provinces where cotton is grown the Government of India and the Provincial Governments have neglected. Now, I had referred to this Resolution on 26th February in my questions and I had also brought to the notice of the Commerce Member that so far as jute was concerned, the matter was settled. The Provincial Government in consultation with the Government of India had purchased the whole of the jute crop and they had incurred certain contingent obligations. The same was the case with regard to groundnuts. In a communiqué the Government generally agreed to contribute on equal basis with His Majesty's Government towards the fund and it was also agreed that a small Committee should be set up upon which the Government of India as well as the principal groundnut growers would be represented. But nowhere has cotton grower been consulted. There have been reliefs given to persons who were suffering on account of groundnuts, jute and sugar-cane. With regard to sugar, they said that the crisis in the sugar industry has made it necessary for the Government to prepare a scheme for giving some compensation to those cultivators in the eastern districts of the province who will be unable to dispose of their cane. But what about cotton? Not a word has been said anywhere.

[At this stage Mr President (The Honourable Sir Abdin Rahum) resumed the Chair]

Sir, I have very briefly shown how the situation has worsened. I have also shown that the situation is getting from bad to worse. As regards the recommendations that have been made, I submit that they should be put into effect. I very much desire that something should be done for cotton on the lines followed in the case of jute, groundnut and sugar-cane. Now, there are some recommendations which were brought to the notice of the Honourable the Commerce Member by me on the 26th February, 1941. I want a statement on the floor of the House by the Honourable the Commerce Member with regard to these recommendations so that the agriculturists may see that there is some sort of hope still left for them. It was with that idea that I put my arguments as briefly as I could and I hope before any other speaker gets up to speak the Honourable the Commerce Member will get up and give the cotton grower some sort of relief.

With these few words, I commend my Resolution to the acceptance of the House

Mr. President (The Honourable Sir Abdur Rahim): Resolution moved :

" That this Assembly views with great concern the low prices of Indian cotton, especially short staple, in the current year due to loss of foreign markets on account of war and their result on the general economic condition of the cotton growers in India, and recommends to the Governor General in Council to give effect, as early as possible, to the recommendations made by the Indian Central Cotton Committee in its resolution passed on this subject in its meetings held on the 17th and 18th January, 1941, at Bombay "

The Honourable Diwan Bahadur Sir. A. Ramaswami Mudaliar (Member for Commerce and Labour): Mr President, normally I should not have arisen quite so soon and intervened in this debate but I understand that many of the Members of this House, particularly those who are concerned over this question, would like to have the views of the Government on this problem and that is my sole reason for intervening at this very early stage in the debate. Sir, the position of the cotton growers in this country has with that of other producers of raw products been engaging the attention of the Government for many months past. I do not think my Honourable friend, Mr Deshmukh, even making allowance for all the anxiety that he naturally feels towards a particular set of agriculturists with whom he is most concerned in his own province, has done justice to the manner in which the Government have been treating this problem and have dealt with it in the past. The main complaint was that, while other products may have been looked after, cotton has been very much neglected not only during the period after the war but for many years and decades. I must very respectfully enter a caveat against this position. My Honourable friend—I should like to refresh his memory—must realise that during the last ten years if the textile industry has been looked after, it is as much in the interests of the cotton grower as anyone else, but more directly the cotton grower has been helped. Let me remind my Honourable friend of some of the agreements which the Government of India have entered into with foreign countries, agreements directly connected with benefit to the cotton grower. Let me take the Indo-Japanese Agreement where the import of cotton goods to this country was allowed up to a certain maximum the *quid pro quo* being that the Japanese should take a certain quantity of the raw cotton produced in this country. That agreement at least is one which the Government of India have entered into for the direct benefit of the cotton grower. In fact, the only justification for that Agreement was that certain benefits accrued to the cotton grower. May I add in this case that the benefit was primarily to the growers of what may be called short staple varieties, the *Oomras* and *Bengals*. Similarly, with reference to the United Kingdom also. The Indo-British Agreement, about which so much has been said and heard in this House, had at least one provision that the level of import duties of British goods was directly co-related to the offtake of Indian raw cotton by the United Kingdom. But that is only one side of the story.

My Honourable friend spoke very indignantly about the policy of price control. Let me remind him that it was the responsible and responsive Governments in the Provinces that moved, adjured and entreated the Government of India to come to their assistance by delegating to them the control over prices of certain raw commodities. That being the position, I could not understand whether the Provincial Governments were responsible or guilty in this matter or whether the guilt can be directly attributed to the Central Government. What complaint he had with reference to the particular commodity with which

[Sir A Ramaswami Mudahar.]

he was dealing I could not understand. No question of price control entered into the price of raw cotton because it was not one of those articles which were included in the price control scheme either of the Central Government or of any Provincial Government. The price control scheme related solely and exclusively to certain foodstuffs and necessities and raw cotton was not one of those which were included in the Notification issued by the Government of India. Nor was raw cotton one of those articles with reference to which delegated powers were given to the Provincial Governments. What the price control scheme had to do with this question is more than what I can understand.

Mr. Govind V. Deshmukh : The thing really is if a rise in prices of food-stuffs had been permitted, it would have helped all agriculturists, including cotton growers who particularly needed help this time as I have shown.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : I do not want to be diverted to a discussion of the price control policy of the Government, but the Honourable Member will realise that this price control really affected only certain types of goods where middlemen were making extra profits, and that the price control scheme was, to be fair to the Local Governments, only with reference to those contingencies and conditions and it was not intended to depress the price which normally the cultivator or the agriculturist or the prime producer could get. On the other hand I had emphasized in more than one speech of mine that it was not fair that the agriculturist should not have the chance of getting a little better price than he got before the war when the prices were at a slump and, therefore, nobody could complain if the agriculturist got a slightly higher or better price under the war conditions than he got during the period of depression and particularly during the period just before the war. That was why the Government of India said in its very first Notification that at least ten per cent more could be charged on those products than on 31st August, 1939.

But, as I say, it is not my intention to advert to questions of price control policy which is far outside the scope of this debate. My Honourable friend also complained that the exports had fallen in raw cotton and that, therefore, a serious position had arisen. I did not quite catch what my Honourable friend said, but I think he said at one stage of his speech that there was a restriction in the area of cultivation and that the produce was much less than before. I have not got the figures for 1941-42, but I have got the figures of 1939-40 and for 1940-41.

Bengals

1939-40	.	943,000 bales
1940-41	.	1,127,000 bales

an increase of nearly 184,000 bales.

Oomrahs

1939-40	.	1,304,000 bales
1940-41	.	1,410,000 bales

an increase of 106,000 bales.

Perhaps that will give some explanation for the fact that greater stocks are lying uncleared and that the prices have fallen to some extent.

Pandit Nilakantha Das (Orissa Division - Non-Muhammadan) : What are the figures for the whole of India ?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : In those varieties the figures I have given are for the whole of India. They are the production figures.

Now, Sir, let me come to export figures in these varieties because my Honourable friend complained that France was not importing, that Italy was not and that Germany was not importing. My Honourable friend must remember that we are now dealing with *Omraks* and *Bengals* short staple varieties and there is no question of the price of Broach cotton. As my Honourable friend knows Broach cotton has kept fairly steady and during the last weeks, it has advanced and is trying to reach the level of the corresponding period of last year. Broach cotton is being sold, as I said in my speech on the Finance Bill, as sharply as it is being produced and that there is likely to be a shortage of that variety of cotton. The larger expansion of the textile industry owing to war needs has forced up the consumption of staple and above staple varieties and so far as those varieties are concerned, there need be no concern either about the disposal of the crop or about the price which the crop was fetching. As regards lower staples, I am aware that the parity between Broach and these lower staples has widened and is widening. I am not quite happy over that position, but to say that the foreign markets, especially the continental markets are being closed and to cite figures of total exports of raw cotton to those markets is not to be fair to the line of argument which my Honourable friend is pursuing, for the simple reason that it was not the short staple varieties that were being exported to those foreign markets. Germany, Italy and France were taking the long staple varieties and not the short staple varieties.

Mr. M. S. Aney (Berar. Non-Muhammadan). May I just interrupt? Even in Great Britain at least not less than three lakhs of bales of short staple used to be imported even before the outbreak of this war. This fact was admitted.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar : I shall give the figures of export of these particular varieties to European markets, excluding the United Kingdom, to the United Kingdom markets and to the Japanese markets. That will give a fair view of the whole position.

Exports to Europe, excluding United Kingdom were as follows

Bengals

1937-38	.	.	323,000 bales
1938-39	.	.	318,000 bales
1939-40	.	.	243,000 bales

This is the cotton year which begins in September and ends in August so that I have given the figures up to August, 1940. Now, take the United Kingdom about which there was a special complaint made by my Honourable friend that whereas the United Kingdom was purchasing the whole of the Egyptian crop it was not moving its little finger to help the Indian cotton crop. The export to United Kingdom was as follows:

***Bengals* :—**

1937-38	.	112,000 bales
1938-39	.	110,000 bales
1939-40	.	149,000 bales.

This is an increase of 39,000 bales over the pre-war year. Now, take the *Omraks* exported to Europe, excluding the United Kingdom.

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Oomrahs :

1937-38	124,000 bales.
1938-39	96,000 bales
1939-40	43,000 bales

This is the only drop from 96,000 to 43,000 bales But take the United Kingdom :

1937-38	43,000 bales.
1938-39	35,000 bales
1939-40	71,000 bales.

I am now confining myself to the two varieties in which my Honourable friend is interested It does not seem to be fair to suggest that the United Kingdom has not done its duty by the two special varieties of cotton which my Honourable friend is interested in, notwithstanding all the difficulties of shipping of which my Honourable friend must be specially conscious. Now, take Japan again

Bengals :

1937-38	176,000 bales.
1938-39	173,000 bales.
1939-40	202,000 bales.

Oomrahs

1938-39	472,000 bales
1939-40	401,000 bales.

If you take, therefore, the export position at least till August, 1940, it has not been worse in these two varieties than it was in the pre-war year The fact is that in 1940-41, there has been an increase in cultivation, there has been a ten per cent increase in the crop Take again the question of user by the Indian mills of these varieties I am not quite happy about the use of the *Bengals* cotton because that has not been in proportion to what was expected. In 1937-38, the cotton mills in India consumed 314,000 bales of *Bengals*, in 1938-39, they consumed 341,000 bales and in 1939-40, they consumed 298,000 bales. Take the *Oomrahs* In 1937-38, it was 293,000 bales, in 1938-39, it was 284,000 bales and in 1939-40, it was 345,000 bales.

Now, Sir, I have wearied the House with some statistical information because I believe it will be just as well if they have the background of this information before making statements that the whole of the export position has been ruined by the war and that these raw cotton varieties have been damned by an irresponsible Government not having to the slightest extent the cares and anxieties of the cultivators in their minds. That is not the correct state of affairs What then is the remedy ? I have admitted that the price of *Oomrah* and *Bengal* is still not such as would completely relieve me of any anxiety in this matter I have suggested that up to the last few weeks these prices were low But let me not be misunderstood They are not much lower, they were not much lower, even in January and February than the prices in August, 1939 But, of course, when other prices have gone up to a certain extent, to compare the prices in January and February this year with the prices in August, 1939, may not be a very fair thing to do Therefore, I do realise that the gap between the Broach and these two qualities has widened and that has caused some little anxiety to Government Fortunately, during

the last two or three weeks while Broach has jumped up and the disparity is still great, the prices of *Oomrabs* and *Bengals* have moved up, and I believe yesterday the quotation was about 178 to 180 of *Oomrabs* and about 140 or 138 of *Bengals*. That is a more satisfactory position than has prevailed during the last few months.

Now, what is it that can be done to improve this position? My Honourable friend's concrete suggestions were a reiteration of the recommendations that were made by the Indian Central Cotton Committee at its last meeting, recommendations which I said in answer to my Honourable friend were having the earnest consideration of the Government of India. They were received only a few weeks back, that consideration has not been completed. What with the Sessions of the Assembly,—and I do not complain about it at all, I find my time refreshingly spent even in the atmosphere of this House,—but what with the Sessions of this Assembly and various other committee meetings which one has to attend, it is not possible to do justice to the very weighty recommendations of the Indian Central Cotton Committee, backed up as it has been by names which are of the first rank in the cotton world of India. And I, therefore, would not have done justice if I had said after a cursory perusal of these recommendations that the Government of India's attitude on those recommendations would be such on this recommendation and such else on that recommendation. Therefore, I am still in the unhappy position of having to state that these recommendations are having the careful consideration of the Government of India. But lest my Honourable friends may go away with the impression that this is one of those hackneyed replies of the Government of India to conceal the vacuity of thought behind, I should like just to give my preliminary reactions at any rate to some of the recommendations of the Indian Central Cotton Committee. The first recommendation is:

"A direction to the Department of Supply and the Indian Stores Department that except in such cases where it was absolutely essential to ask for cloth requiring the use of long-staple imported cotton, specifications for their requirements should be so framed as to encourage the use of Indian cotton."

With reference to this recommendation we have had consultations with the Supply Department and I am glad to assure the cotton interests concerned that the Supply Department has taken steps to see that some of these specifications are so diluted as on the one hand not to in any way endanger the war supplies and the requirements of the army and on the other hand to allow of a greater use of those short-staple cotton varieties which could not have been used before. I have had the assurance of the Supply Secretariat and in particular of the Director General of Civil Supplies, Brigadier Wood, who has devoted very keen attention to this subject,—I have had assurances from these gentlemen that the specifications are being revised, and the Director General of Civil Supplies and the Controller General of Purchase are now engaged in the task of so revising the specifications that I trust mills and even hand-looms who will be requisitioned for the purpose of getting supplies for the Supply Department of textiles will be able to use more admixture of these short-staple cottons in the near future.

The next recommendation is:

"A representation to all Colonial and Empire Governments to ensure the admission of India's cotton goods to those countries on the same terms and conditions as were accorded to British cotton goods."

So far as this is concerned, I am afraid the Indian Central Cotton Committee is not properly seized of the position. We are in the position that with

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respect to all the colonies of the British Empire we are getting the same preference as we get in the United Kingdom regarding cotton goods. It is the same tariff all over the Colonial Empire of the British Commonwealth as we have in the United Kingdom. So that without any special trade agreements with those countries we do enjoy the benefit of the same preference which the United Kingdom gives to us with respect to this matter. As regards the Dominions,—Canada and New Zealand,—we are so far, as a matter of grace, being given the same preference by these Dominions as the United Kingdom gives us. That is to say, without any trade agreements we still are at present enjoying the same amount of preference in those Dominions as is being given to us in the United Kingdom. So that it seems to me that there is hardly any necessity at the present time for moving in this matter. But I do believe that if we want to be absolutely assured of this amount of preference, the time will surely arise when trade agreements with Australia, Canada and New Zealand may have to be entered into, so that we may not be in the precarious position of having by grace this preferential treatment given to our textile goods but may have as of right that preferential claim. And on that occasion my friends here who cheer me today will have to remember that nothing can be had for nothing and that a policy of *quid pro quo* is essential, that, therefore, if this grace were to be converted into a certainty we must also be certain that we may have to give up something on our side and that some imports will have to come from those Dominions. And I trust if such an occasion arises and I have the opportunity or privilege of placing a trade agreement with Canada, for instance, before this House, my Honourable friend, Mr Deshmukh, and those who are now so concerned about cotton, will be the first to support my endeavours to bring about such a trade agreement.

The third recommendation is

"The adoption of suitable measures for restricting the import of cotton goods and artificial silk yarn and piece-goods into India"

So far as artificial silk yarn is concerned, my Honourable friend, the Finance Member, has stolen the thunder of the Indian Central Cotton Committee, and I think after the Duty that has been raised now the Indian Central Cotton Committee should be the first,—and I hope it will be the first, I hope it has already done so,—to congratulate the Finance Member on having so expeditiously adopted one of its main recommendations. So far as the imports of cotton goods are concerned, we really are importing goods only from two countries, the United Kingdom and Japan. With reference to Japan we are under a trade agreement and we can allow only a certain amount of goods to be imported and no more and no less if Japan is in a position to import it. As regards the United Kingdom though we are under a similar trade agreement, I do not think I need weary the House with statistics to show that it has not been possible for the United Kingdom to import such quantity of goods as it contemplated importing under the Indo-British Trade Agreement. So that on that point also my friends of the Indian Central Cotton Committee may feel assured that the Government of India have done and are doing all that is best to see that only a limited quantity of cotton goods enter this country.

Then there is the recommendation .

"The establishment by Government of a central export organisation with suitable arrangements for the inspection of goods before export"

This is a fairly radical recommendation, and unless I have more light thrown on this recommendation by the Indian Central Cotton Committee beyond that which is contained in the covering letter I am not in a position to come to any conclusion, and I, therefore, do not propose to say anything on this particular recommendation at present :

"The deputation of trade delegations to other countries for carrying on propaganda and exploring possibilities of introducing Indian cotton manufactures".

This particular recommendation is a reiteration of the recommendation which has been made by the Export Advisory Council, a recommendation which the Government of India are considering, and, as I have told my Honourable friends, in considering this recommendation and in coming to a conclusion about it there must necessarily be some delay on the part of the Government of India because other Governments concerned to whose countries these delegations have to go have to be consulted before these trade delegations are appointed. But I am myself personally in favour of such trade delegations and I believe New Zealand, Australia and the Dutch East Indies on the way form a very good ground for a trade delegation of this kind to produce useful results. And if there are such other countries to which such trade delegations could go and if we have any hope at all of these trade delegations being profitable to this country from this point of view, I am certain the Government of India will not hesitate to consider what trade delegations should be sent and to what countries they should be sent.

The next recommendation is -

"More adequate facilities, subject to the exigencies of the war times, of shipping for the export of Indian cotton, special preference being given to short-staple cotton".

That involves two facts. The shipping position is not all that one wishes it to be. Honourable Members are aware that the shipping position is a difficult one, has been a difficult one during the war, and at the present time is of particular difficulty. With that appreciation and with what is implied in that appreciation, I am certain that Honourable Members would not insist on my taking any more steps than the Government of India are taking at present to improve that position.

"That foreign cotton should not be purchased by Government for sale in India"—So far as this is concerned, it is not the policy of the Government to purchase foreign cotton and sell it in India; but foreign cotton has to be used for the production of certain types of goods and foreign cotton is imported mostly by private manufacturers for that purpose, and I am sure there is another side of the story, and that side may have to be heard before any one comes to a decision on this subject. There are mills, as I said, in my speech on another occasion, which can only use foreign imported cotton, which are meant to use long staple cotton, Egyptian, Uganda and other varieties, and therefore it is not possible to oust foreign cotton.

The last recommendation deals with financial assistance to be afforded to mills and the trade by Government for the warehousing or stocking of more than their normal holdings of short-staple cotton. That is a Resolution which is of a very serious character and I am certain that on that recommendation Honourable Members would not ask me to give any opinion at the present stage. But I may say this - that if at any time the problem of the disposal of surplus raw cotton becomes serious the fact that the textile industry is a protected industry, that that industry has a certain obligation to the country, that the period of protection so long enjoyed by it devolves on it this obligation, will certainly have to be borne in mind by the industry and the Government of India are not likely to lose sight of that fact. If such a situation arises

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where the disposal of that surplus becomes a serious problem, it may be necessary for the Government of India to consider the question of convening a conference of the interests concerned in which a large share of the responsibility will still have to be that of the textile mills, and in consultation with them and with the interests of the agriculturists in our mind we shall try to find a solution even as—and reference has been made to this fact—Government have tried to find a solution, successfully or unsuccessfully I shall not say at present—to the problem of the surplus of the jute crop That is all that I have to say

Babu Baijnath Bajoria (Marwari Association - Indian Commerce) Will the Honourable the Commerce Member appeal to the Honourable the Finance Member for funds for purchasing cotton ?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudahar : There is no question of an appeal from one Member to another Honourable Colleague - we have all the same interest

Mr. President (The Honourable Sir Abdur Rahim) The Assembly

Mr. M. S. Aney : I believe, Sir, that Mr Deshmukh wants to withdraw his Resolution

Mr. Govind V. Deshmukh : Sir, I am very much pleased with the speech that has been made But the assurances given by the Honourable the Commerce Member—(Interruption)—I see his anxiety . . .

Mr. President (The Honourable Sir Abdur Rahim). If the Honourable Member wishes to withdraw, he cannot make another speech

Mr. Govind V. Deshmukh : I beg leave of the House, Sir, to withdraw the Resolution

The Resolution was, by leave of the Assembly, withdrawn

The Assembly then adjourned till Eleven of the Clock on Thursday, the 27th March, 1941

LEGISLATIVE ASSEMBLY

Thursday, 27th March, 1941.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (the Honourable Sir Abdur Rahim) in the Chair.

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

STENOGRAPHERS IN CERTAIN OFFICES.

507. *Sardar Sant Singh: (a) Will the Honourable the Home Member kindly state the total number of stenographers in the following offices on the 20th February, 1941, and how many of them are Sikhs?

- (i) Civil Aviation Office,
- (ii) Director General, Posts and Telegraphs,
- (iii) Education, Health and Lands Department;
- (iv) Director General, Indian Medical Service,
- (v) Agricultural Marketing Adviser to the Government of India;
- (vi) Central Board of Revenue,
- (vii) Director, Intelligence Bureau, and
- (viii) Controller of Printing and Stationery?

(b) What was the total number of vacancies in the above offices created in connection with war and how many posts were reserved for the Sikh community?

(c) Is the Honourable Member prepared to issue instructions to all the Heads of the Departments to allow all the communities to appear at such tests where the vacancies are 'general'?

The Honourable Sir Reginald Maxwell: (a) and (b). I lay on the table a statement giving the required information.

(c) There are already instructions that vacancies in the stenographers' grade should be filled with due regard to the rules regarding communal
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representation and the rules provide that unreserved vacancies are open to all communities on their merits.

Statement showing the total number of stenographers on the 20th February, 1941, the number of Sikhs in them, the vacancies created in connection with the war and the number of posts reserved for Sikhs in the following offices:

Office	Total No of steno- graphers on the 20th February 1941	No of Sikhs	Total No. of vacan- cies creat- ed in connection with the war.	Posts re- served for members of the Sikh Com- munity.
Civil Aviation Office	9	Nil	2	Nil
Director-General, Posts and Telegraphs	10	Nil	1	Nil
Education, Health and Lands Department	9	Nil	Nil	Nil
Director General, Indian Medical Service	5	Nil	1	Nil
Government Marketing Adviser to the Government of India	5	Nil	Nil	Nil
Central Board of Revenue	7	Nil	Nil	Nil
Director, Intelligence Bureau	9	1	Nil	Nil
Controller of Printing and Stationery	1	Nil	Nil	Nil

Mr. Lalchand Navalrai: May I know if these stenographers are recruited directly or from the ranks of the clerks in the Departments?

The Honourable Sir Reginald Maxwell: I don't understand what the Honourable Member means.

Mr. Lalchand Navalrai: Are these stenographers appointed directly, or from the ranks of clerks in the Departments?

The Honourable Sir Reginald Maxwell: I should require notice of that.

Mr. Lalchand Navalrai: May I also know if these stenographers have to go through the Public Service Commission Examination as the clerks do?

The Honourable Sir Reginald Maxwell: I should require notice of that.

RIGHTS FOR DEATH AND DISABLEMENT COMPENSATIONS FOR CASUALTIES DUE TO WAR IN INDIA

508. Mr. Lalchand Navalrai: (a) Will the Defence Secretary be pleased to state if it is a fact that in the United Kingdom statutory rights for death and disablement compensations for casualties due to the Great War were recognised by an Act of the Parliament passed immediately after the war?

(b) Is it a fact that in India the Regulations provide that no pension can be claimed as a right, and correction slips empower the Government of India to withhold the grant in full or in part of service, disability or family pensions children allowances and gratuities or arrears thereof admissible under the Regulations? If so, why is a different treatment adopted in India?

(c) Is it a fact that there are prohibitory orders against petitions and appeals for the grant of death and disablement pensions submitted or drafted by private agencies? If so, why?

(d) Is it a fact that the Secretary of the Invalid Soldiers' Association, Karol Bagh, Delhi, was prosecuted for drafting an appeal in 1940? If so, under what regulation?

(e) Will the Honourable Member be pleased to state how the relatives or friends should approach the authorities on behalf of the deceased or disabled soldier for the grant or otherwise of pension or other grants and who are authorised to draft petitions or appeals for them?

* **Mr. C. M. G. Ogilvie:** (a) I have been unable to identify the Act of Parliament to which the Honourable Member refers.

(b) It is a fact that no pension can be claimed as a right, whether British or Indian.

(c) No.

(d) No. The facts are that a person who described himself as Secretary of the Association mentioned was prosecuted on a charge of attempted cheating in respect of a petition purporting to bear the thumb impression of a sepoy who had died more than six months before the application submitted on his behalf was drafted.

(e) By application to the Officer Commanding the unit in which the soldier last served or to the local District Soldiers' Board.

Any one is at liberty to draft a petition or appeal.

Mr. Lalchand Navalrai: May I know if the Honourable Member is aware that there is a difference in regard to payment of these pensions in England and India?

Mr. C. M. G. Ogilvie: The Honourable Member is giving me information. I know nothing of the kind.

Mr. Muhammad Nauman: Could the Honourable Member tell me what he knows of the regulations in the United Kingdom in regard to payment of pensions there?

Mr. C. M. G. Ogilvie: The Regulations are voluminous and are published in the form of Royal Warrants. They lay down among other things that pensions depend upon good conduct.

Mr. Lalchand Navalrai: Then, there is that much difference, and the Honourable Member knows so much about it?

Mr. C. M. G. Ogilvie: As far as I know, there is none at all.

OFFICERS RESIGNING COMMISSIONS IN THE 12TH AND 13TH MALABAR BATTALIONS, INDIAN TERRITORIAL FORCE

509. ***Maulvi Muhammad Abdul Ghani:** (a) Will the Defence Secretary be pleased to state when Lieutenant-Colonel B. Moseley took up the Command of the 12th and 13th Malabar Battalions, Indian Territorial Force?

(b) How many senior and junior officers have resigned their commission from these two Battalions since then and what are the reasons for their resignations?

(c) How many such officers were asked to resign by the Commandant and what were the reasons for the same?

(d) Is it a fact that some of these officers who were asked to resign protested against it? If so, will the Honourable Member be pleased to state the grounds of protest stated by them?

(e) Will the Honourable Member state the reasons for the percentage of resignations from these Battalions being so high when compared with other Units of the Indian Territorial Force?

(f) Is it a fact that the Head Clerk of the 18th Battalion, Indian Territorial Force, who had put in over twenty years' service was sacked by the Commandant last year but was reappointed to the same post by the present Commandant of that Unit?

(g) Is it a fact that over hundred men were recruited by this officer from Travancore in 1940, who were brought to Bangalore at Government expense, and who had to be sent back at Government expense and this entailed a huge waste of public money?

(h) Is the Honourable Member prepared to institute a searching enquiry into this matter and take necessary action to create confidence in the senior and junior officers and men of this Unit with a view to allaying public feeling in Malabar?

Mr. G. M. G. Ogilvie: (a)—(h) The information is being collected and a statement will be laid on the table in due course

STENOGRAPHY ALLOWANCE TO CLERKS IN THE GOVERNMENT OF INDIA DEPARTMENTS

510. *Mr. Umar Aly Shah: (a) Will the Honourable the Home Member please state whether the Government of India have sanctioned a stenography allowance of Rs 20 per mensem for two clerks in each Department to encourage the practising typists to learn the work of stenography?

(b) If the answer to part (a) above be in the affirmative, will he please state whether Second Division clerks are eligible to draw this allowance? If so, under what conditions? Are there any Departments of the Government of India in which Second Division clerks have been granted this allowance? If so, which are those Departments?

(c) Will the permanent posts of stenographers in the different Departments be filled from those drawing this allowance?

(d) Will the Second Division clerks drawing this allowance be eligible for promotion to the First Division also?

(e) Has any instruction been issued to various Departments of the Government of India Secretariat to bear in mind the provisions of the Home Department resolution relating to representation of various communities while giving stenography allowance to the practising typists? If not, are Government prepared to issue such instructions now?

The Honourable Sir Jeremy Raisman: (a) Yes.

(b) Yes; on condition that they have been deemed unfit for promotion to the first division. The information asked for in the latter part of the question is not immediately available.

(c) These persons will have prior right to consideration for appointment to permanent posts subject to communal considerations.

(d) No.

(e) The Home Department Resolution referred to applies to direct recruitment to posts and not to the grant of allowances of this kind. It may, however, be added that instructions have issued to make it clear that notwithstanding the existence in Departments of clerks drawing the stenography allowance all vacancies in the stenographer's grade should be filled with due regard to the communal representation rules.

CERTAIN INCOME-TAX OFFICERS STOPPED AT THE SECOND EFFICIENCY BAR IN THE UNITED PROVINCES

511. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Finance Member please state how many Income-tax Officers have been stopped at the second efficiency bar within the last four years in the United Provinces, and whether the procedure laid down in paragraph 6(i) of the Income-tax Officers Manual (1933 edition) correction list No 1, paragraph 30, was followed in their cases before the bar was placed? If not in all cases, in how many was it not followed?

(b) Have Government considered the advisability of sending for such cases, and dealing with them in a judicial way after giving the aggrieved officers an opportunity to explain the charges—if any—against them, or getting their cases examined by some one from outside the Department in a proper judicial way?

(c) Were the Federal Public Service Commission previously consulted in these cases, as required by section 266 (3) (c) of the Government of India Act, 1935? If not why not?

(d) Are the officers of the Income-tax Department who had been appointed by the Local Governments before the Income-tax Act of 1922 came into force, entitled to appeal to the Provincial Governments and, if so, are Government prepared to refer all such cases for consideration to the Provincial Governments?

(e) If the answer to part (d) be in the negative, what are the provisions under which the right of appeal to Local Governments has been stopped?

The Honourable Sir Jeremy Raisman: (a) to (e) The information is being obtained and will be laid on the table of the House in due course.

"ADDITIONAL INCOME-TAX OFFICERS" IN CERTAIN PROVINCES

512. *Qazi Muhammad Ahmad Kazmi: (a) Will the Honourable the Finance Member please state whether it is or it is not a fact that in some provinces some Income-tax Officers with full assessment powers have been given the appellation of 'Additional Income-tax Officers'?

(b) If the answer to part (a) be in the affirmative, what is the legal authority for this appellation?

(c) Have Government considered the advisability of dropping the appellation of 'Additional Income-tax Officer'?

The Honourable Sir Jeremy Raisman: (a) Yes

(b) The appellation 'additional' is used merely as a matter of convenient distinction when more than one officer is appointed for a circle which is not divided into different sections. But all Officers performing the duties of an Income-tax Officer in that circle are duly appointed as such (and not as Additional Income-tax Officers) under section 5(3) of the Income-tax Act, 1922.

(c) Government do not consider that any special advantage is to be gained by dropping the prefix 'additional'.

Qazi Muhammad Ahmad Kazmi: What about the control of the staff by the Additional Income-tax Officer? Have all the Income-tax Officers got one and the same staff, or they have different powers of control?

The Honourable Sir Jeremy Raisman: As a matter of convenience, one of the officers is in charge of all staff questions, but their statutory powers are the same.

Qazi Muhammad Ahmad Kazmi: What I want to know is, whether the Additional Income-tax Officer is at all responsible for the conduct of the staff which is working directly under him?

The Honourable Sir Jeremy Raisman: I think he is, Sir, but in certain matters, where disciplinary measures have to be taken, they will be taken by the Income-tax Officer in charge of the establishment for that Circle.

THEFTS AND BURGLARIES IN NEW DELHI

513. *Mr. Govind V. Deshmukh: Will the Honourable the Home Member please state

- (a) the number of thefts and burglaries committed in New Delhi, month by month, in 1940 and 1941 up to the end of February;
- (b) the value of property involved in each case of theft during the above period stating the cases in which the culprits have been convicted and property recovered;
- (c) the localities in which the thefts, etc., have been more frequent, and whether Government are in a position to ascribe any reasons therefor, and the measures proposed to be taken to prevent the same;
- (d) the number of thefts, etc., that have occurred during the above period in the Reading Road quarters, New Delhi;
- (e) whether it is a fact that cases of theft involving property worth about Rs 3,000 and Rs 5,000 have occurred in January and February 1941, on Reading Road and Mata Sundri Road, respectively and still remain untraced;
- (f) whether Government are aware that there is a feeling of insecurity among the tenants of Government quarters in New Delhi on account of the frequency of thefts.

- (g) whether a request was made to the Department of Labour by a section of the tenants living in Government quarters on Reading Road that they may be allotted quarters in some safer locality, and whether this request has been accepted; if not, why not;
- (h) whether Government are aware that there is a feeling among the tenants of Government quarters that the police arrangements in New Delhi are not adequate to prevent or trace out thefts,
- (i) what steps Government are taking to allay these feelings and making the police arrangement adequate to cope with the situation, and
- (j) whether the aid of the Criminal Investigation Department was taken in tracing the above thefts whether it is a fact that the primary duty of the Criminal Investigation Department is considered to be to trace political crimes and not others? Are Government aware that the aid of the Criminal Investigation Department is taken for tracing cases of theft, etc., in Provinces?

The Honourable Sir Reginald Maxwell: The Honourable Member will appreciate that it must take some time to collect all the detailed information that he has asked for. I have called for a report and will lay a complete reply on the table in due course. Meanwhile, I would invite his attention to the answers I have given on this subject to Mr. Azhar Ali's questions Nos. 284 to 237 asked on November 22nd 1940, which were laid on the table on 11th February, 1941.

Mr. Govind V. Deshmukh: In that reply the blame has been thrown on the residents who engage their servants and it was stated that they were engaging their servants without inquiring into their previous antecedents. Is the Honourable Member's attention drawn to the fact that it is largely the public servants themselves who are responsible for thefts of private citizens, because it has been found that constables themselves are taking part in thefts? Have Government made any inquiries particularly after the report that a constable was caught redhanded in committing thefts?

The Honourable Sir Reginald Maxwell: I think a private person ought to make enquiries about the antecedents and character of the servant whom he wants to engage before asking the police to do it.

Mr. Govind V. Deshmukh: As a matter of fact, they did so. The answer throws the blame for these thefts on the tenants themselves for they had not inquired into the antecedents and character of the servants whom they engaged. As a matter of fact before any man engages his servants he generally makes full inquiries about their antecedents and character. The reason why I am pointing out this, is, because a constable was caught redhanded when committing thefts in one of these houses.

The Honourable Sir Reginald Maxwell: The Honourable Member is giving me information.

Mr. Govind V. Deshmukh: That answer does not really satisfy me, namely, referring me to whatever questions were put by Mr. Umar Aly Shah.

Mr. Lalchand Navalrai: Have any additional arrangements been made since then for the safety of these quarters?

The Honourable Sir Reginald Maxwell: The Honourable Member may take it for certain that the utmost efforts are being made by the police to trace all these thefts and to round up the gangs responsible for them

Mr. Lalchand Navalrai: Have any additional arrangements been made for increasing the police or taking other precautions?

The Honourable Sir Reginald Maxwell: That is a question which might arise when I have got the further information called for in respect of this question.

Mr. Govind V. Deshmukh: May I know if the Honourable Member will make an enquiry into the character of the police in that locality?

(No reply)

Mr. Govind V. Deshmukh: May I have a reply?

The Honourable Sir Reginald Maxwell: No reply

ALLEGED MISUSE OF CERTAIN POWERS UNDER THE INCOME TAX ACT BY THE INCOME-TAX AUTHORITIES

514. *Dr. Sir Ziauddin Ahmad (on behalf of Khan Bahadur Shaikh Fazl-i-Haq Piracha) (a) Will the Honourable the Finance Member please state whether his attention has been drawn to a letter published in the *Hindustan Times* of the 11th February, 1941, under the caption "Income-tax Assessment"?

(b) How many notices under section 52 of the Income-tax Act were issued by the Delhi authorities during the last year 1940-41?

(c) Are Government aware of the discontent prevailing in the mind of the public for the too frequent use of that section?

(d) Is it a fact that, for escapement of a petty sum of tax, an assessee is presented with an ultimatum to either accept criminal prosecution, or in the alternative to pay the compounding fee varying from twelve to twenty times the amount of the tax that may be due, e.g., for a tax of Rs 40 to 50, Rs 800 to Rs 1,000 are demanded as composition fee?

(e) Are Government aware of the public feeling in Delhi that the Income-tax authorities are not using the powers conferred on them by sections 52-53 of the Act properly, and that their sole interest is to increase the revenues by bringing ordinary cases of *bona fide* mistakes and omissions within the purview of those sections?

(f) Is it a fact that the applicability of section 52 is at the discretion of the Income-tax authorities themselves?

(g) Are Government prepared to enact that powers of the Inspecting Assistant Commissioner are confined to his only making a report of section

52 cases to a Judicial Officer who, after hearing the other side, should decide whether the conduct of the assessee really falls within the purview of that section and who should also fix the composition fee? If not, why not?

(h) Are Government prepared to make the orders of the Assistant Commissioner under section 52 and 58 appealable?

(i) How do Government justify one interested party sitting in judgment on the other, and at the same time depriving the latter of the right of appeal as well?

The Honourable Sir Jeremy Raisman: (a) Yes, Sir

(b) to (i). I have called for a report from the Commissioner of Income-tax and a reply will be laid on the table of the House in due course

Mr. Lalchand Navalrai: Before giving sanction under section 52, are the assessees given an opportunity to explain and to satisfy that no sanction should be given?

The Honourable Sir Jeremy Raisman: I think that the proceedings preceding the sanction under section 52 contain a full indication of the assessee's own attitude in the matter

Mr. Lalchand Navalrai: That is not it. What I am asking is this. It is the Income-tax Officer who asks for sanction from the Inspecting Assistant Commissioner, and I ask, is it because the Income-tax Officer has followed the same procedure, therefore the Inspecting Assistant Commissioner does not give an opportunity before he gives sanction, because he is the authority who gives sanction?

The Honourable Sir Jeremy Raisman: Yes, but the essence of the procedure is that sanction is given on the basis of facts which have emerged in the course of the ordinary proceedings

Mr. Lalchand Navalrai: The Income-tax Officer does his duty, but sanction is not given by the Income-tax Officer. Sanction is asked for, and given *ex parte* now-a-days, I may inform the Honourable Member. Therefore, I ask, why should it be *ex parte*?

The Honourable Sir Jeremy Raisman: It is not a judicial action. The action is of an executive character. It follows on a review of the facts of the case, and there is no room for argument on the matter. It is the exercise of a discretion on the basis of known facts.

Mr. Lalchand Navalrai: But the matter is judicial so far as it goes to a Court. If there is no sanction, it cannot go to Court, therefore it is a judicial matter.

The Honourable Sir Jeremy Raisman: The Honourable Member's argument would lead to the position that, before a prosecution is undertaken by the police, there should be a case before the Superintendent of Police. There should be an argumentation

Mr. Lalchand Navalrai: I may inform the Honourable Member that I know it personally that it is not through the police that the cases are lodged; it is through the Income-tax Officer that the cases are lodged. There are actually instances . . .

Mr. President (The Honourable Sir Abdur Rahim) Next question. The Honourable Member has put his question and he has got the answer.

Mr. Lalchand Navalrai: I am asking whether they are going to make any enquiries into this, and, if not, why not?

The Honourable Sir Jeremy Raisman: I am not going to make any enquiries, because I am satisfied that the procedure provided by law is adequate and suitable for the case

NON-EXERCISE OF GENERAL POWERS OF REVIEW BY THE INCOME-TAX COMMISSIONER

515. *Dr. Sir Ziauddin Ahmad (on behalf of Khan Bahadur Shaikh Faiz-i-Haq Piracha) (a) Will the Honourable the Finance Member please state whether after the Appellate Tribunal came into existence from the 25th February, 1941, the Income-tax Commissioner has ceased to exercise his general powers of review, *sive notes on section 53, Part III of the Income-tax Manual*?

(b) If so, what relief have Government provided for those assessee whose term of appeal had expired before that date and who were counting on filing a review within the prescribed period of one year?

(c) Are Government prepared in such cases to order that either the Commissioner should still continue to exercise his powers of review, or the period of limitation of appeals be relaxed and extended in their favour so as to enable them to avail of the right of appeal? If not, why not?

The Honourable Sir Jeremy Raisman: (a) Yes, except in respect of such proceedings as were pending before him on 25th January, 1941

(b) None

(c) No. Government consider that assessee had ample notice of the fact that the Commissioner's powers of review would lapse with the institution of the Tribunal and of the date on which the Tribunal commenced to function

UNSTARRED QUESTIONS AND ANSWERS

CLERICAL POSTS IN THE ARMY HEADQUARTERS IN CONNECTION WITH WAR.

208. Sardar Sant Singh: (a) Will the Defence Secretary please state the total number of clerical vacancies created in the Army Headquarters in connection with war and filled by the Defence Department up to 1st March, 1941?

(b) How many of them are Hindus, Muslims, Sikhs, Anglo-Indians and Christians?

(c) How many of the total number of vacancies were offered to lady clerks?

Mr. C. M. G. Ogilvie: (a), (b) and (c) A statement is laid on the table.

Statement showing the total Number of clerical Posts created in Army and Air Headquarters since the beginning of the War upto 1st March, 1941, and the Communities of the personnel filling them

Total number of vacancies created	Communal composition of the personnel filling those vacancies.									No of vacancies not yet filled.
	Hindus	Muslims	Sikhs	Indian Christians	Europeans	Anglo-Indians	Parms	Lady clerks	B. O. R.s.	
783	301	105	29	7	7	16	2	138	161	17

STENOGRAPHERS IN THE OFFICE OF THE FINANCIAL ADVISER, MILITARY FINANCE

209. Sardar Sant Singh: (a) Will the Honourable the Finance Member kindly state the total number of stenographers (permanent and temporary) on the 1st March, 1941, in the office of the Financial Adviser, Military Finance, and how many of them are Sikhs?

(b) If the reply to the second part of part (a) be in the negative, is the Honourable Member prepared to take steps to recruit a suitable Sikh stenographer?

The Honourable Sir Jeremy Raisman: (a) Twelve, of whom seven are permanent. None is a Sikh.

(b) The claims of Sikhs are considered along with those of candidates belonging to Minority Communities (other than Muslims) for whom, under the rules, one post out of twelve is earmarked.

SUPERINTENDENTS AND CLERKS IN THE OFFICE OF THE DIRECTOR, DEFENCE AUDIT SERVICES AND ITS CIRCLE OFFICES

210. Sardar Sant Singh: Will the Honourable the Finance Member please state the total number of Superintendents and clerks (permanent and temporary) in the office of the Director, Defence Audit Services and its Circle Offices and how many of them are Sikhs?

The Honourable Sir Jeremy Raisman: 139 of whom seven are Sikhs

RIGHTS FOR DEATH AND DISABILITY COMPENSATIONS FOR CASUALTIES DUE TO WAR IN INDIA.

211. Bhai Parma Nand: Will the Defence Secretary please state whether it is a fact that in the United Kingdom, statutory rights for death and disablement compensations for casualties due to the Great War, were recognised by an Act of the Parliament passed immediately after the

war, while in India the Regulations provide that no pension can be claimed as a right and Correction Slips empower the Government of India to withhold the grant in full or in part of service, disability or family pensions, children allowances and gratuities or arrears thereof admissible under the Regulations? Do Government propose to confer upon Indian ranks the same or akin rights as are recognised for British personnel in England? If not, why not?

Mr. C. M. G. Ogilvie: The attention of the Honourable Member is invited to the reply which has today been given to parts (a) and (b) of starred question No 508

PROSECUTION OF ONE PANDIT PURAN PRATAP SHARMA FOR DRAFTING AN APPEAL FOR CONTINUATION OF A DISABILITY PENSION

212. Bhai Parma Nand: (a) Will the Defence Secretary please state whether it is a fact that up to the year 1932, there were provisions in the Army Orders issued by His Excellency the Commander-in-Chief to the effect that petitions and appeals for the grant of death and disablement pensions, submitted or drafted by private agencies shall not be entertained and that Civil Courts are prevented from entertaining any claim relating to pension, grant of money or land revenue conferred or made by the British Government?

(b) Is it a fact that one Pandit Puran Pratap Sharma, Secretary, the Invalid Soldiers Association, Karol Bagh, Delhi, was prosecuted for drafting an appeal in 1940 at Delhi to the Secretary, Defence Department, Government of India, under Recommendation IX of the War Pension Committee, for the continuance of a disability pension stopped in the years 1925-27 and the type-writer, carbon papers and correspondence of the Association were seized by the police on 29th March, 1940? In how many cases and with what arrears, have Government continued pensions under their promise made while accepting Recommendation No IX of the Informal Committee on War Pensions?

Mr. C. M. G. Ogilvie: (a) No, but in 1932, an Indian Army Order was published drawing the attention of the local military authorities to the correct channel for the submission of applications or complaints in the interests of ex-soldiers' themselves, and advocating the establishment of direct communication with the claimants. This order contained no direction that petitions or appeals submitted by private agencies should not be entertained.

(b) I invite the attention of the Honourable Member to the reply that has today been given to part (d) of starred question No 508. If any property was seized by the police it is open to the person concerned to apply to the Chief Commissioner for its return.

The time and labour involved in the collection of the information desired in the concluding portion of this question would be out of all proportion to the value of the result.

PROSECUTION FOR CHEATING OF CERTAIN FAMILIES RESIDENT IN INDIAN STATES RECEIVING DEATH PENSIONS

213. Bhai Parma Nand: Will the Defence Secretary please state whether it is a fact that recently certain families receiving death pensions

and residing in Indian States, were prosecuted by the Government of India for cheating the Indian Exchequer and the full amount of pension received by them was demanded back if they wished to save themselves from the charge? If so, will Government please lay a statement on the table showing the names of the accused females, the names of the particular courts in which they were prosecuted and the results of the prosecution?

Mr. G. M. G. Ogilvie: Government are aware of only one recent case in which a prosecution of the kind mentioned was launched against a pensioner. This was against one Mussammat Kesri and was instituted because Government were informed that she was not the real widow of the soldier in respect of whose death she had been granted a family pension.

The case was tried in the Court of the Naib Nazim, Nizamat-Sheikhawati, Jaipur State, who held that she was the widow of the dead soldier with whom she contracted "Nata" during the life time of her first husband.

The pension was accordingly restored to the widow with effect from the date on which its payment was originally stopped.

JUDGMENT BY THE NAIB NAZIM OF SHEIKHAWATI (JAIPUR STATE) IN EMPEROR *versus* MUSSAMMAT KESRI

214. Bhai Parma Nand: (a) Will the Defence Secretary please state whether the attention of Government has been drawn to the Judgment dated 16th August, 1938 by the Naib Nazim of Sheikhawati (Jaipur State) in Emperor *versus* Mussammat Kesri, in which he held that the Government of India, having received a capitalized value of the death pension from His Majesty's Exchequer was not cheated and that a sanction of the British Exchequer was necessary for prosecuting a war pensioner? If so, will Government please state if some appeal was preferred against this judgment? If not, have they issued orders that for further prosecution in respect of claims to death and disablement pensions, previous sanction of His Majesty's Government should be secured and that a certificate from the Collector under sections 4 and 6 of the Pensions' Act, 1871, should be obtained? If not, do Government propose to do it now?

(b) Do Government propose to give some compensation in cases in which the accused pensioner, or his correspondent, was discharged by the Criminal Court? If not, why not?

Mr. G. M. G. Ogilvie: (a) Government have seen the judgment referred to, against which there was no appeal, but they do not consider that any further orders are necessary, as no prosecution could be undertaken without their sanction.

(b) As stated in reply to the Honourable Member's previous question, the pension in the case of Mussammat Kesri was restored with effect from the date on which payment was originally stopped. Government see no grounds for giving compensation in either case.

RECOMMENDATIONS OF THE WAR PENSIONS COMMITTEE AND GOVERNMENT ORDERS THEREON.

215. Bhai Parma Nand: Will the Defence Secretary please state if Government are prepared to respect the recommendations of the War

Pension's Committee and Government's orders thereon? If so, do they propose to make some special arrangements whereby the breaches of their orders can be rectified?

Mr. C. M. G. Ogilvie: Government do respect the recommendations of the War Pensions Committee and their own orders thereon. They are always ready to enquire into reports of breaches of their orders, but see no necessity for special arrangements.

MOTION FOR ADJOURNMENT

DISCUSSION OF THE D'SOUZA REPORT

Mr. President (The Honourable Sir Abdur Rahim) Order, order I have received notice of a motion for adjournment of the business of the House from Sardar Sant Singh to the following effect:

I ask for leave to make a motion for the adjournment of the business of the Assembly for the purpose of discussing a definite matter of urgent public importance, namely not giving an opportunity to this House to discuss D'Souza's Report on an official day in this Session in compliance with the assurance given on the floor of the House by the Honourable Member for Communications on behalf of the Government."

I do not exactly remember the terms of the undertaking. Perhaps the Honourable the Communications Member will tell the House what happened.

The Honourable Sir Andrew Clow (Member for Railways and Communications) The position is this. In the preceding Session, you would recollect that I was put certain questions and asked to allot time for discussion of D'Souza Report, and I was pressed by, among other Members, Sir Ziauddin Ahmad. In reply, I said more than once that if any appreciable number of Members considered that the budget debates were insufficient, and if they tabled Resolutions on the subject, Government would consider the allotment of time on an official day in the event of those Resolutions failing to find a place in the ballot. No Resolutions were tabled at all on this subject, but the matter was again raised during the debates on the Railway Budget when a cut motion was moved by Mr. Deshmukh but was withdrawn on my giving a certain assurance. What I said on that occasion was

"I recognise that the D'Souza report is a matter of interest. I have been asked by the Party which is absent, and I was asked in the last Session also to allot time for it. And if it is the general desire of the House that there should be official time allotted to this subject I shall recommend that to the Leader of the House who, I have no doubt, will consider it."

At that time, having been asked by the two largest Parties in the House to allot time, I assumed it was the general desire and I gave notice of a motion on the subject. Afterwards it was brought to my notice that the Muslim League Party did not desire to discuss the subject. I, therefore, consulted the Leaders of the other two Parties, the fourth Party not having been formed at that time. I found that, while the Congress Nationalists were still anxious to discuss it, the European Group had no particular desire to have a debate in the House in the matter. I then informed the Leaders of the Parties that I did not propose to make my

motion but that I would bring the matter before the Central Advisory Council for Railways where it could be discussed in a full and perhaps more dispassionate manner. If it is the desire of the House to discuss the motion, we are still prepared to allot time for it, but if it is not the general desire of the House I do not feel why I should take the initiative in bringing the motion myself, no Member having at any time tabled a Resolution on the subject.

Mr. M. S. Aney (Berar Non-Muhammadan) I have only to add one thing. The facts are as stated. When the assurance was given, the Honourable Member has admitted that at least two largest Parties had expressed a desire to have a discussion on the floor of the House. The condition on which the assurance was given was then fulfilled. If subsequently some persons changed their mind that is no reason for him to change his mind also. Therefore, I hope that he will stick to what he has undertaken to do and allow the discussion to go on.

Mr. President (The Honourable Sir Abdur Rahim) I understand from the Honourable the Communications Member that if there is still a general desire on the part of Members of the House that there should be such a discussion, he would be ready and willing to give a date for the purpose, or at any rate to find time for the purpose.

The Honourable Sir Andrew Clow: Yes, Sir

Mr. President (The Honourable Sir Abdur Rahim) I should like to know if there is such a general desire.

Syed Ghulam Bhik Nairang (East Punjab Muhammadan) No, Sir

Mr. M. S. Aney: We do not want to go into voting over this.

Mr. President (The Honourable Sir Abdur Rahim) There is no such desire. The motion is disallowed.

Mr. M. S. Aney: I believe the Honourable Member stands by the assurance that this matter will come up for discussion before the Central Advisory Committee.

The Honourable Sir Andrew Clow: It will come up on the 1st of April

ELECTION OF MEMBERS TO THE CENTRAL ADVISORY BOARD OF EDUCATION IN INDIA

Mr. President (The Honourable Sir Abdur Rahim) I have to inform the Assembly that upto 12 Noon on Monday, the 24th March, 1941, the time fixed for receiving nominations for the Central Advisory Board of Education in India four nominations were received. Subsequently two members withdrew their candidature. As the number of remaining candidates is equal to the number of vacancies, I declare Dr. Sir Ziauddin Ahmad and Dr. P. N. Banerjea to be duly elected.

**RESOLUTION RE REFERENCE OF THE DELHI MASAJID BILL
TO A JOINT COMMITTEE OF THE COUNCIL OF STATE AND
THE LEGISLATIVE ASSEMBLY.**

Kunwar Hajee Ismael Ali Khan (Nominated Non-Official) Sir, I move:

"That this Assembly do concur in the Resolution passed in the Council of State recommending that the Bill to make better provision for the administration of Masjid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi be committed to a Joint Committee of the Council of State and of the Legislative Assembly and that the Joint Committee do consist of twelve members"

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammedan Urban): How does this motion come in first?

Mr. President (The Honourable Sir Abdur Rahim) There is no express provision for a motion of this character, and the Chair thought that, having regard to the list given in the Standing Order, this is the appropriate place for a motion for Joint Select Committee

Kunwar Hajee Ismael Ali Khan: I shall give a short history of the origin of this Bill

Mr. T. Chapman-Mortimer (Bengal European) Sir, I did not hear your ruling May I know if this motion has priority over other business?

Mr. President (The Honourable Sir Abdur Rahim) He has made his motion, and he is entitled to make a speech in support of his motion

Sir F. E. James (Madras European) It establishes a precedent that on a non-official day a Resolution of this kind can at very short notice be admitted and take precedence over other items which have been standing on the paper for some time

Mr. President (The Honourable Sir Adur Rahim) The Chair had to consider this matter and it gave its decision in answer to Dr Banerjea's query Standing Order 7-A did not provide for a motion of this character, but it provided for two motions as regards Bills passed by the Council of State, and the Chair held that as this also related to a Bill introduced in the Council of State, that was the proper place where it could be put in, and the Chair allowed that motion to be placed where it appears now

Kunwar Hajee Ismael Ali Khan: If you will allow me, Sir, a few minutes at this stage, it would help me to give the short history of the Bill I had the honour and privilege to originate this Bill in the other place during Budget Session of 1939 It was circulated for the purpose of eliciting opinion in the same year In the Budget Session of 1940, when I became the Member of this Assembly it was automatically lapsed but I am very much thankful to my esteemed friend, the Honourable Mr. Hoosain Imam, who very kindly adopted this Bill and now it is before this House for commitment to a Joint Select Committee

The objects of the Bill are set out in the Statement of Objects and Reasons I have stated what this Bill is intended for. It is to make better provision for the administration of mosques mentioned above and

for many others for which the Chief Commissioner of Delhi thinks it necessary. These historical mosques are situated at the heart of the capital of the Government of India with a large property which yields income of a considerable amount. Unfortunately, the present management is anything but smooth. In the years 1862 and 1877, Government arrived at an agreement with a few Muslims and formed two different managing committees of the Jama Masjid and Fatehpuri Masjid but the membership of these committees was for lifetime without any rules and regulations. By this Bill the term of membership is changed from lifetime to five years. Sir, times have advanced and changed and the public in general have no confidence in such unrepresentative and undemocratic committees. The large property attached to these mosques yields a large income and the public is in complete darkness about the management. No annual administration report is issued by the present committees nor have I seen any audited accounts in any paper. It is highly desirable that the Committee which is to manage such a large property which these mosques possess should be properly constituted by some piece of legislation and not by mere agreement.

I shall now quote briefly some of the opinions, received on this Bill, from Provincial Governments, many branches of Muslim League and many other Muslim institutions, which are all in favour of this Bill.

The Central Provinces Government says—

'The Muslims of this province whose opinions have been received are in favour of the Bill.'

Khan Bahadur H M Wilayatulla, Retired Deputy Commissioner and one of our late colleagues, says—

'I am in entire agreement with the principle of this Bill. When the Committee was formed in 1862, for the management of some mosques of historical and archaeological importance in Delhi and the properties attached to them, representative institutions were unknown. Under the arrangement which was decided upon then, the term of membership of any member who is nominated on this committee is his life time. This is now out of date and under the changed conditions now prevailing it is desirable that the committee should be representative and should consist of members who should be elected from time to time. The present members can seek re-election if they desire to do so under clause 5 of the Bill. The present method of the formation of the management committee needs being changed in the light of altered conditions. The change will minimise complaints of mismanagement, whether true or false, and is a very desirable measure.'

Then, the Bombay Government says—this was before the constitution was suspended and the popular Government was a responsible one.

'This Government agrees with the aims and objects of the Delhi Masjid Bill.'

All the provinces are in favour of this Bill. There are one or two which are opposed but so far as the spirit of the Bill is concerned, every one is in support of this measure. In Assam, Mr Fakhrudin Ali Ahmed, Finance Minister, Assam says:

"The Bill is in fact of local interest but as affecting the Muslim community, I have gone rather hurriedly through its provisions. The principle involved therein has my entire support and I hope the Bill as a whole will be found very useful in effecting a control over the Masjid property."

The Madras Government says—

"I am directed to enclose copies of the opinions on the Bill cited above received from officers and others consulted on the provisions of the Bill, and to state that there is no objection in this province to the main principles of the Bill."

[Kunwar Hajee Ismael Ali Khan]

The Punjab Government says

"I am directed to forward copies of the opinions of the Honourable Judges of the Court of Judicature at Lahore and the selected District and Sessions Judges in the province on the provisions of the Delhi Masjid Bill, and to say that the Provincial Government support the Bill in principle"

The Registrar, High Court, Lahore, says

"I am directed to forward a copy of opinion recorded by the Honourable Mr Justice Din Muhammad on the above measure, and to say that the Honourable Mr Justice Abdul Rashid, the Honourable Mr Justice Ram Lall and the Honourable Mr Justice Sale agree with it."

Coming to the Delhi Province, the Chief Commissioner invited written opinions and there were only eight opinions received

Mr. M. S. Aney (Berar Non-Muhammadan) Were these opinions circulated amongst the Members of this House?

Kunwar Hajee Ismael Ali Khan: Yes, they were circulated in 1939 I am not going to read all the opinions in detail Coming to the Delhi Province, there were only eight opinions which were received by the Chief Commissioner and among those eight opinions two were only against the Bill, and these two were from the Managing Committee of the Jama Masjid and Fatehpuri Masjid, Delhi, which were directly affected by this measure The remaining six of them not only support this Bill but they want a similar measure applicable all over India The Joint Secretary, Anjuman-Mohafiz-i-Aqaf Delhi, the Secretary, Managing Committee, Sunehri Masjid Delhi, Sh Muhammad Shafi Bari, Delhi, Khan Sahib Sh Mahmud Hussain Zadi, P C S (retired), Honorary Magistrate, Delhi, Sayed Ajaz Hussain Shah, P C S and Ch Mushtaq Husain (Retd.), P C S, Delhi are all in support of this measure The Chief Commissioner himself says

"My personal opinion is as follows I believe that public opinion favours reform At the same time there is considerable divergence of views on the Bill as it stands"—Now when he says "divergence", I may state for the information of the House that a conference was called by the Chief Commissioner on the 20th July, 1939, and in that conference he invited only twelve persons and out of those twelve persons seven were the life members of these committees which this Bill wanted to abolish, the majority were of those who were personally interested one way or the other in this measure, and thus the Chief Commissioner describes as "a divergence of opinion" In the end, Sir, I want to remind the Government of their pledge, which was given in the other House by the Home Secretary he said, Sir, in reply to my motion for circulation in other place

'Government's future attitude will depend entirely on the opinions which come as a result of circulation'

I have mentioned that more than 99 per cent of the opinions are in favour of the Bill so Government must help us in this matter I appeal, in the name of democracy, to every section of this House to support this popular measure Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That this Assembly do concur in the Resolution passed in the Council of State recommending that the Bill to make better provision for the administration of Masjid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi be committed to a Joint Committee of the Council of State and of the Legislative Assembly and that the Joint Committee do consist of twelve members "

Maulvi Muhammad Abdul Ghani (Trirput Division Muhammadan). Sir, I move

'That in the motion, for the words 'twelve members' the words 'fourteen members' be substituted.'

Sir, the reasons are very simple. In the first place, the strength of this House is more than double, it is almost three times the strength of the other House. Secondly, up till now it has been a convention of this House to take members from the different Parties. Accordingly, the Muslim League Party also gave some names. They were three. But I find that all the names given by the Muslim League Party and agreed to by the Mover have not been included in the motion. Therefore, I have thought it proper to propose that the number be increased from twelve to fourteen,—and the number fourteen will not be a large one for a Joint Select Committee of both the Houses. When this Bill is before the House I submit that there is another comprehensive Bill to regulate and control all the Wakf properties including these mosques and that is also fixed for today. Piecemeal legislation is not wholesome. There are 150 hundred mosques as mentioned in the Archaeological Report published in 1916 within the limits of Delhi, 44, and 125 mosques outside the limits of Old Delhi, in New Delhi and outside the limits of Old Delhi, and besides that, other mosques have been built and property gifted for the maintenance of such mosques, since then. I cannot understand why only three mosques were selected,—when there is such a very large number—up till 1916, three hundred and twenty-five.

Kunwar Hajee Ismael Ali Khan: May I inform the Honourable Member that under section 16 of the Bill you can include any mosque you like and further more this Bill will be modified in the Joint Select Committee?

Maulvi Muhammad Abdul Ghani Please have patience. I am coming to that. That cannot be done under the Bill you have moved. Then, there are other mosques which have properties as well and which have equal claims on the representatives of the Muslims to have legislation for the better administration of them. But no care has been taken for their management and control.

The next thing that I want to submit is that the preamble of the Bill says that a provision is going to be made for the administration of three mosques only and in the Statement of Objects and Reasons I find that only two mosques are mentioned. There is no mention of the third mosque. I am simply making these suggestions to draw the attention of the Select Committee to all these points so that they may be able to remedy the defects.

Clause 16 of the Bill says, as my friend has just pointed out to me and I knew it beforehand, that the Chief Commissioner may extend the provisions of this Act to any other mosque or mosques within the Delhi province by a notification in the Gazette. I do not think that without changing the preamble clause 16 will have any effect. Then, a certain provision has been made in clauses 7, 9, 11 and 14 for doing certain things. But if you will compare these things and go through the Bill, you will find that there is no provision to compel those things to be done. There is no penal clause at all. In the absence of any penal clause, the fate of the administration, which will come into existence under this new legislation,

[Maulvi Muhammad Abdul Ghani.] will be the same, if not worse, that is in existence today. Take, for instance, clause 9 which says

"The Committee shall take place of and shall supersede the Committee appointed under the Agreement."

Now, if the Executive Committee do not quit, some provision should be made in the Bill for their removal by certain agencies. In clause 11 of the Bill it is laid down that the rites and ceremonies in these mosques shall be performed according to the *Hanafi* laws.

Kunwar Hajee Ismael Ali Khan: On a point of order, Sir. We are not discussing the clauses of the Bill. My simple motion is to refer the Bill to a Joint Committee.

Mr. President (The Honourable Sir Abdur Rahim) The Chair does not know what the position of the Honourable Member is? Is he opposed to the motion before the House?

Maulvi Muhammad Abdul Ghani: Certainly not, Sir.

Mr. President (The Honourable Sir Abdur Rahim) In that case, all these suggestions can be considered by the Select Committee.

Maulvi Muhammad Abdul Ghani: I am not discussing the Bill clause by clause. I am only trying to point out the defects.

Mr. M. S. Aney: Why don't you include the name of my Honourable friend, Maulvi Abdul Ghani, in the Select Committee, otherwise he does not get an opportunity of placing all these suggestions before the Select Committee?

Maulvi Muhammad Abdul Ghani: As regards the rites and ceremonies to be performed in the Juna Masjid and the Fatehpuri mosque, it is laid down that the principles of the *Hanafi* laws will be observed. Why should the principles of the *Hanafi* law only be observed? Then, clause 14 says

"The Committee shall not be empowered to use the property, moveable or immovable for the Masajid Endowments for any purpose other than those intended by the founders of the Masajid."

Was it the intention of the Emperor Shahjahan that only those Musalmans who follow the *Hanafi* law should offer their prayers in the mosque?

Mr. President (The Honourable Sir Abdur Rahim) All these suggestions can be considered in the Select Committee. This is not the time for them.

Maulvi Muhammad Abdul Ghani: Then, with regard to clause 15. The Musalman Wakf Act of 1923 is already there, but there is no penal clause therein.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had better not discuss the clauses.

Maulvi Muhammad Abdul Ghani: I only want to point out that the provisions of the Act of 1923 will not do. A self-contained provision should be added. With these words, I move my amendment.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in the motion, for the words 'twelve members' the words 'fourteen members' be substituted."

The Honourable Sir Reginald Maxwell (Home Member) Sir, Government are neutral towards this motion, but I wish to give one word of explanation as regards the meaning of this attitude. Government, in taking up this attitude, do not wish to convey the impression that they are prepared to accept the Bill in its present form. On the contrary, they consider that it will require to be largely re-drafted in the Select Committee and that it will, thereafter, have to be re-circulated. I might add that Government are themselves engaged in collecting information which will be of great use to the Select Committee with a view to examining any different proposals which may emerge after the full data are before them.

Kunwar Hajee Ismael Ali Khan. Sir, my difficulty arises in this way. The number of twelve is fixed by the Council of State. If we make any alteration in this number, I am afraid we will have to go back to the Council of State. We have not got enough time and it will be a mere waste of time. I have consulted the Muslim Members and their Parties and Whips and it is with their approval that I have put their names for the Select Committee. However, I am entirely in the hands of the House. Personally, I have no objection, but so far as these technical matters are concerned, I will appeal to my friends not to come in our way and obstruct the easy passage of the Bill.

Mr. Govind V. Deshmukh (Nagpur Division - Non-Muhammadan) Sir, the motion of my Honourable friend, Kunwar Hajee Ismael Ali Khan, says "That this Assembly do concur." So this Assembly can only concur. We cannot make any amendments. If we have merely to agree, then this particular amendment of my Honourable friend, Maulvi Abdul Ghani, would be out of order.

Mr. M. S. Aney: This is subject to further concurrence by the Council of State. It will have to go back to the Council of State.

Kunwar Hajee Ismael Ali Khan: Sir, I may point out that I have received no notice of this amendment previously. I received it only just now.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member ought to have objected before.

Maulvi Syed Murtuza Sahib Bahadur (South Madras Muhammadan) Sir, as has been explained by my Honourable friend, Maulvi Abdul Ghani, he is the author of another Bill which is more comprehensive than the one before us. Therefore, it was quite necessary that he should be on the Committee proposed by my Honourable friend, Kunwar Hajee Ismael Ali Khan. I do not find the name of Maulvi Abdul Ghani in the proposed list.

Kunwar Hajee Ismael Ali Khan: His name was not suggested.

Maulvi Syed Murtuza Sahib Bahadur: His name was suggested by the Whip of the Party, who has already left for Madras. Had he been here, he would have borne me out. The Whip of our Party gave three names to represent our Party. This is a very momentous subject so far as the Muslims are concerned and it is therefore necessary that you should include in the Select Committee the author of another Bill who has got undoubtedly a more comprehensive Bill which covers not only these three mosques but also all the mosques situated within and outside Delhi. As has been rightly pointed out by you, Sir, all these points may be dwelt upon in the Select Committee. But when the author of the more comprehensive Bill is not there, his view point might not receive any consideration. Therefore his name should be added.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is supporting the amendment.

Maulvi Syed Murtuza Sahib Bahadur: So far as my name is concerned, I am not very keen to be in the Select Committee. My Honourable friend, Maulvi Abdul Ghani, should be on the Committee.

Kunwer Haji Ismaiel Ali Khan: I rise to a point of personal explanation. My Honourable friend, Syed Murtuza Sahib Bahadur, said that the Whip of the Muslim League Party gave me three names to be included in the Select Committee. My position was this. I had to take the representative from each and every Party in the House. The quota of the Muslim League was only two and the names of those two Members were suggested by the Whip of the Muslim League Party and they were taken. The third name was proposed under certain conditions, namely, if the Congress Nationalist Party was not very keen to give a name from their Party, then the third name given by the Muslim League Party would be included in the Select Committee. But the Whip of the Congress Nationalist Party was willing to co-operate with my Bill and so I was absolutely helpless. I could not take the third name from the Muslim League Party.

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in the motion for the words 'twelve Members' the words 'fourteen Members' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) The question is "That this Assembly do concur in the Resolution passed in the Council of State recommending that the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi be committed to a Joint Committee of the Council of State and of the Legislative Assembly and that the Joint Committee do consist of fourteen Members."

The motion was adopted.

Kunwer Haji Ismaiel Ali Khan: Sir, I beg to move

That the following Members of the Legislative Assembly be nominated to serve on the Joint Committee to consider and report on the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi, namely

The Honourable Sir Muhammad Zafrullah Khan, Syed Ghulam Bhik Nairang, Maulana Zafar Ali Khan, Sir Abdul Halim Ghuznavi, Sardar Sant Singh, and the Mover."

Mr. M. S. Aney: Sir, I rise to a point of order. This is a motion for the appointment of a Joint Committee. The motion that was adopted by the other House is amended here. Unless the amendment of the motion that has just been adopted by this House is concurred in by the other House, is it possible for this House to proceed with the second motion at all? If the other House fails to concur in the raising of the numbers from twelve to fourteen, any selection of Members that we make on the basis of fourteen will fall through.

Mr. President (The Honourable Sir Abdul Rahim) The Chan quite follows the point of the Honourable Member. But, in order to expedite the business in the other House, it is just as well that the second motion also should be considered by this House. Supposing this second motion also is amended as proposed by Maulvi Abdul Ghani, then it will be for the other House to consider whether they will adopt the amended motion or not. Motion moved.

"That the following Members of the Legislative Assembly be nominated to serve on the Joint Committee to consider and report on the Bill to make better provision for the administration of Masajid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi, namely

The Honourable Sir Muhammad Zafrullah Khan Syed Ghulam Bhik Nairang, Maulana Zafar Ali Khan Sir Abdul Halim Ghunzavi Sardar Sant Singh, and the Mover"

Maulvi Muhammad Abdul Ghani: Sir, I move

"That after the word 'Mover' the following be added
'Maulvi Syed Murtaza Sahib Bahadur, and the Mover'"

Mr. President (The Honourable Sir Abdul Rahim) The Honourable Member really means before the word "Mover"

Maulvi Muhammad Abdul Ghani: I mean by the second "Mover" the Mover of the amendment, that is myself

Mr. President (The Honourable Sir Abdul Rahim) That will be eight then

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House)
The Rule says

"On a Joint Committee equal numbers of Members of each Chamber must be nominated"

In the other House it will be six, and in this House it will be eight. This cannot be done

Mr. President (The Honourable Sir Abdul Rahim) The Honourable Member's amendment is out of order in the form it is moved

The Honourable Sir Muhammad Zafrullah Khan: The amendment might be moved in this form

"That after the name 'Sardar Sant Singh' the following be added
'Maulvi Syed Murtaza Sahib Bahadur'"

Maulvi Syed Murtaza Sahib Bahadur: Sir, I withdraw and propose the 12 Noon name of Maulvi Abdul Ghani

Mr. President (The Honourable Sir Abdur Rahim) The Chair understands Maulvi Abdul Ghani wants to move the amendment put down in the list that after the words "the Mover" the words "Maulvi Syed Murtaza Salib Bahadur and the Mover" be added That will be out of order, because the numbers must be equal The House has already accepted his amendment that instead of 12 members there should be 14

Maulvi Muhammad Abdul Ghani: Then, with your permission, I will move that my name be added there

Kunwar Hajee Ismaiel Ali Khan: Sir, may I suggest to solve this difficulty that if my Honourable friend, Maulvi Abdul Ghani, withdraws his amendment, and if you will allow me to make a consequential amendment, I will move that after the name of Sardar Sant Singh, the name of Maulvi Muhammad Abdul Ghani be added

Maulvi Muhammad Abdul Ghani: On that condition I will withdraw my amendment

Mr. President (The Honourable Sir Abdur Rahim) Then, the motion is

"That the following Members of the Legislative Assembly be nominated to serve on the Joint Committee to consider and report on the Bill to make better provision for the administration of Masjid and the Endowment of the Jama Masjid, Fatehpuri Masjid and Kalan Masjid of Delhi, namely

The Honourable Sir Muhammad Zafrullah Khan, Syed Ghulam Bhik Nairang, Maulana Zafar Ali Khan, Sir Abdul Halim Ghuznavi, Sardar Sant Singh Maulvi Muhammad Abdul Ghani, and the Mover"

The question is that the above motion be adopted

The motion was adopted

THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) Sir, I move

"That the Bill further to amend the Code of Criminal Procedure, 1898, for a certain purpose be circulated for the purpose of eliciting opinion thereon by the 15th July, 1941

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the Bill further to amend the Code of Criminal Procedure 1898 for a certain purpose be circulated for the purpose of eliciting opinion thereon by the 15th July, 1941

The motion was adopted

THE DELHI MUSLIM WAKFS BILL

Maulvi Muhammad Abdul Ghani (Tirhoot Division Muhammadan) Sir, I move

"That the Bill to provide for the better administration of Muslim Wakfs in the Province of Delhi be referred to a Select Committee consisting of the Honourable Sir Reginald Maxwell Syed Ghulam Bhik Nairang, Maulana Zafar Ali Khan,

Mr Govind V Deshmukh, Mr J D Boyle, Mr Husenbhai Abdullahe Laljee, Mr Saif Haider Imam, Khan Bahadur Sir Abdul Hamid and the Mover, with instructions to report *v.* the 31st July, 1941, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five"

In moving this motion, I have to submit that the Bill deals with the protection, better control and administration of all the wakfs within the province of Delhi. I find that the Honourable the Home Member has given notice of a circulation motion. I do not object to it because after all it is better that the Muslims in whose interest the legislation is sought to be made should have a chance of giving their views. Delhi is a central place and since the advent of Muslim rule innumerable wakfs and charitable institutions were created here, and on different occasions legislation has been passed. But they did not prove useful, particularly in regard to the wakfs of Delhi. When the Muslim Wakf Act of 1933 was passed it remained a dead letter here. When I first came here and saw the mismanagement and the pitiable condition of the wakfs here I thought it proper to draw the attention of the Government of India and have an extension of the Muslim Wakf Act of 1933. But in reply to a question of mine I was given to understand that that Act was not extended to the province of Delhi. We know that lots of litigation have been going on and are still going on and very very large amounts of the public money have been spent and very valuable and considerable time of the courts have been taken in deciding these cases. I, therefore, think that there should be a legislation, self-contained in itself, for the better administration of the wakfs within the province of Delhi. With this view in mind I introduced this Bill.

We know, Sir, that recently there has been a case going on against the mismanagement of the Fatehpuri mosque. Along with that mosque there are six or seven other mosques controlled by that committee. In 1877 the Fatehpuri mosque was released, as also the Jama mosque. During the Mutiny they were taken possession of by the Government and when the Government released these two mosques and a few others, they managed to see that their administration was on a sound footing, and committees were appointed of Muslims to administer those mosques. But from 1877 up till now none of the mosque committees has ever taken the trouble to submit their accounts either to the District Judge or to the Muslim public. Much agitation has been going on since a very long time. I remember that on the 18th March, 1938, there was a big gathering of above 30,000 Muslims in the Fatehpuri mosque and people assembled on the roads also, they adopted a resolution condemning the existing committee and demanded from the Government a legislation for the better administration of mosques and other *wakf* properties. I find that there is a graveyard called Kawaja Baqui Billah about which nine or ten cases had to run up to the Lahore High Court and decrees were given against the trespassers and the so-called *mutawallis*, and after that the District Judge was compelled to ask the Muslim public to have a committee to manage and supervise the affairs of and take charge of that big graveyard. There are other instances of maladministration of other wakf properties about which innumerable litigations went on. This is the proper time to have a legislation for the administration of wakf properties in Delhi, and I hope the Government will also sympathetically consider the miserable condition in which these wakf properties are and the mismanagement at the hands of *mutawallis*. There is a very big *Idgah* in Delhi, built by Emperor Shahjahan. I find that a few persons have become *mutawallis* during the last three or four years and

[Maulvi Muhammed Abdul Ghani]

during the period have sold the stones which were contained in the platform round about the *Idgah*, and even underneath the wall was dug up and stones were taken away without any fear that the wall would be injured I feel that if there is much rain and water deposited in the pit, it will do much injury to the *Idgah* which I think will soon fall down

There are other buildings, some are under the care of the Archaeological Department,—but there are others which are not so cared for. With this view in mind I introduced this Bill, and the provisions of this Bill are very very simple. After great thought I have introduced the element of a nominated President, so that the Muslims on the one hand and the Government on the other may have confidence in the administration of wakf properties here. I know the mentality of some of the interested persons who fight in order to get a place and afterwards mismanage things. In order to avoid such interested persons I have thought proper to have a provision for the Government to nominate two persons, out of whom one will be a legal man and he will be appointed as President. The *Majlis* will contain 15 persons out of which two will be nominated, and one will be elected by the *mutawallis* and 12 will be elected by the Members of the Central Legislature. I have also made provision in the Bill for the expenditure of the *majlis* which will control all the wakfs, and for that a maximum contribution of Rs 6-4, on every hundred rupees net income of wakf properties, will be levied. That is the maximum. In this case it is my earnest desire that the Government should also come forward and help these institutions. For instance, in Madras there is a Tribunal called the Hindu Endowments Tribunal—about two thirds of the expenditure is met by the Government and one third is met by the State. I am not making any suggestion about contribution by the Government at the present stage. When the Bill will be before the Select Committee after opinions have been collected, that will be the proper time to move the Government to consider that point, because since the Bill has been introduced it has been suggested by many Muslims that the Government also owe a duty for the better administration of these Wakfs.

Another important factor in the provisions of this Bill is that there are Wakfs of Shias also here, and I have made provision by which representation will be given to representatives of Shias also so that they may have full confidence in the *Majlis*, and when matters relating to Shia Wakfs are before the *Majlis*, only the representatives of the Shias will have a right to vote, while when matters affecting Sunni rights will be before the Wakfs, only Sunni members will have the right to vote. I have made this provision in order to avoid any kind of suspicion, because some of my Shia friends say that some of the Sunnis do not believe in *Tazia* and other ceremonies, and therefore, if Sunni members will be elected and will have control over the administration of *Shia* Wakfs, perhaps there might be reason for this understanding. I do not wish to dilate much on the provisions of this Bill. They are all in the Bill, and it will be better for the readers to get themselves convinced of the soundness of the provisions and then offer their opinions when the Bill is circulated.

With these few words, I move my motion and hope that Honourable Members of this House as well as the Government will give their whole-hearted support to this measure.

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That the Bill to provide for the better administration of Muslim Wakfs in the Province of Delhi be referred to a Select Committee consisting of the Honourable Sir Reginald Maxwell, Syed Ghulam Bhik Narrang, Maulana Zafar Ali Khan, Mr Govind V Deshmukh, Mr J D Boyle Mr Husenbhui Abdullaibhai Laljee, Mr Sayyid Haide Imam, Khan Bahadur Sir Abdul Hamid and the Mover, with instructions to report by the 31st July, 1941, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five"

There are two amendments One is in the name of Khan Bahadur Piracha and Mr Nauman, and the other is in the name of the Honourable Sir Reginald Maxwell Both are for circulating the Bill for eliciting public opinion.

Khan Bahadur Shaikh Fazl-i-Haq Piracha (North West Punjab Muhannadan) As I find there is a similar amendment by Government to the one which stands in my name I don't wish to move my amendment

The Honourable Sir Reginald Maxwell (Home Member) Sir I move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941"

I hope, Sir, that the Honourable the Mover and this House will accept this amendment This Bill is an important and elaborate measure affecting the religious rites and customs of the Muslims not only of those resident in Delhi, but also in the neighbouring provinces who may be interested in Wakfs in Delhi, and as I have already explained, Government are at present, engaged in collecting data which may be of use in solving the problems which have to be solved before agreed measures for dealing with these Wakfs can be brought into existence In these circumstances, it would be premature to send this Bill to a Select Committee at the present stage, and I think that circulation would be more desirable Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941"

The motion was adopted

THE PROFESSIONS TAX LIMITATION BILL.

Sir F. E. James (Madras European) Sir, I beg to move

"That the Bill to limit to a maximum of Rs. 50 per annum the amount payable in respect of any person by way of tax on professions trades callings or employments be taken into consideration"

I think it is only fair to the House that I should explain the reason for this Bill The House is aware that for many years past there has been levied in the Madras Presidency a tax on professions which is based upon income I made researches into the origin of this tax There was a tax as early as 1865 which was levied in the Madras City for police services and the conservancy and improvement of the town That tax

[Sir F. E. James]

was based upon a schedule of arts, professions, trades and callings, and I am glad to say that our forefathers were wise in those days, because they limited the maximum payable under this tax, in the case of individuals, to Rs 50 per annum. I am now trying to get back to those days. Since those days there have of course been amendments to our local laws in the Presidency of Madras, and the present position is that the tax on professions levied by local bodies, municipalities, District Boards is based on income. Liability to the tax is not based upon the practice of a profession or of any art or calling. In fact, even persons who have no occupation at all have to pay, provided they reside or do business in the particular local area concerned. The tax is payable on a person's income, and curiously enough, although the reference in our local laws is to the Income-tax Act, it has been held that in the case of this tax it is payable also upon agricultural income. In the city of Madras the maximum goes as high as Rs 1,000 per annum, in the districts the maximum goes to Rs 550 per annum. There is a difference between the city of Madras and the districts. The difference is this, that in the city the Professions Tax applies to individuals and the Companies Tax to companies. These taxes are upon a different basis. Therefore, as far as this Bill is concerned, it would not affect the existing tax on companies in the Madras city. On the other side, in the districts the Professions Tax applies to individuals and companies alike. Therefore, this Bill, if it becomes law, would, in its application to the Madras Presidency, outside the city of Madras, affect not only the individual but also companies. Recently, a High Court judgment laid down that, if a person exercises a profession in a particular municipal or local board area but does not reside in that area, he pays Professions Tax on the basis of his earnings from that profession, but if a person resides in an area he pays tax not only on the basis of the income which he derives within that area but also on the basis of his total world income.

Now, Sir, under the Government of India Act, 1935, taxes on income fall within the Central or federal legislative sphere but this tax, being legal on the 31st March, 1937, and the assent of the Governor General in Council having been obtained to the passing of the Provincial Acts under which the tax is levied this particular tax has been saved by section 143 (2) of the Act read with paragraph 3 of the India and Burma Transitory Provisions Order in Council. There was at one time, I understand, some doubt as to whether, after the passing of the Government of India Act, 1935, the authorities concerned could legally continue to levy this tax, and at one stage the Government of Madras was warned by the Central Government that it might be found that the Madras Professions Tax was illegal under federal conditions and that, therefore, an alternative form of tax possibly based upon a schedule of professions and fixed rates might be considered.

During all these years we in Madras have maintained a steady agitation against this tax, and, indeed, as early as 1931 there was a resolution of the Associated Chambers of Commerce dealing with the Professions Tax in Madras and a similar tax which was then proposed for Bombay. In his reply to the discussion, the then Finance Member, Sir George Schuster, said that he took note of the resolution which was then passed and what had been said in support of the resolution and would bring it to

the attention of whatever body might be considering the distribution of sources of revenue as between the Central Government, the Provincial Governments and local authorities in future At a later stage in his speech he said

"Undoubtedly, this particular case does require looking into Speaking for myself, I am glad the point has been raised at this meeting to-day, and as I have already said, we will see that this discussion is brought to the attention of the authority considering the system of taxation in the India of the future"

Representations were made at the time of the consideration of the Government of India Act before the Joint Parliamentary Committee In the meantime, not very long ago, the United Provinces Government introduced an Employment Tax Bill I do not want to go into details, and to cut the story short, I would only say that one of the results of that was that the Governor General suggested, that the matter should be clarified by parliamentary enactment Notice was given of a Bill in Parliament Shortly after that Bill was introduced in the British Parliament, I put certain questions to the Honourable the Finance Member Although he was not very anxious to be drawn, with the kind help of my Honourable friend, Mr Aney, we did elicit two facts, first, that the Government of India had not been consulted on the amending Bill which was then before Parliament but that the Governor General had been consulted, and secondly, that if the Government of India felt that there was a widespread demand for legislation at the Centre with regard to the Professions Tax in Madras, then the Government of India would be prepared to examine the question A very cautious reply, but the condition attached to it, namely, "a widespread demand", has certainly been fulfilled subsequently as far as my own province is concerned

Now, in course of time, the India and Burma Miscellaneous Amendments Act, 1940, was passed through all its stages What is the effect of clause 142A which was added to the Government of India Act by that Bill? The chief purpose of this part of the Bill was to clarify Parliament's intentions regarding item 46 (taxes on professions, trades, callings and employments), in the Provincial Legislative List in Schedule 7 of the Government of India Act, 1935 The new section 142A which was inserted in the Government of India Act, 1935, by that Bill, while continuing the right of the provinces to impose Profession Tax, limited the incidence of that tax to a maximum of Rs 50 per annum in respect of any one person Unfortunately for Madras, and possibly one or two other provinces as well, that section also contained a proviso which exempted from the limit imposed by the main body of the Section those Provincial Profession Taxes which had existed prior to 31st March, 1939 And as the Madras Profession Tax on its present basis had been in existence for a long time before that date, the new section introduced by the 1940 Bill did not apply to it, and, therefore, the tax continues to be levied lawfully at the old rates

Now, Sir, in moving the second reading of that Bill, the Secretary of State in the House of Lords said

"The Bill proposes to place beyond dispute the distinction which it was always intended should be drawn between taxes on incomes on one hand and taxes on professions, trades, callings and employments on the other"

"Taxes on income, other than agricultural income, were a federal source of revenue, whereas taxes on professions, trades, callings and employments were a provincial

[Sir F. E. James]

source of revenue. It was never intended that taxes under these provincial heads should be so imposed as to constitute an income tax and so trespass upon the central field of revenue."

Lord Zetland went on to say that

'The main purpose in view when these headings were included in the Provincial List was to keep alive a right which Provincial Governments had exercised in the past, empowering local authorities such as municipalities and district boards to levy rates for local purposes which were commonly described as taxes on professions, circumstances and property. It was of course characteristic of these taxes that their incidence upon the individual taxpayer was a very small one. Experience had shown, however, that it was possible to levy taxes under these heads which in fact were nothing less than income tax in disguise, for, some little time ago, the legislature of the United Provinces enacted a taxing Bill under the head 'Employments Tax' which was in fact nothing more than an income tax. It was to be imposed upon the incomes of all those who derived their income from employment as a substantial graduated tax, which, in respect of a large part of the incomes concerned, would have amounted to as much as 10 per cent. It was quite clear that this would have constituted a serious invasion of one or more important sources of revenue assigned to the Federal Government, and it was equally clear that, if it were to be permitted on a large scale, it would have the effect of upsetting seriously the balance between Federal and Provincial fields of taxation.'

Those were the observations of Lord Zetland in introducing the Bill and every word that he applied to the Employments Tax Bill of the United Provinces could have been applied with equal justice to the Professions Tax which is now levied under provincial legislation in the Madras Presidency. The Madras Tax is nothing less than an income-tax in disguise. It is different from the United Provinces tax in this—that in the United Provinces they proposed to impose a tax upon all those who derive their income from employment, in Madras the tax is derived from the incomes of all, whether they are in employment or not. It is really a surcharge on income-tax, and in some cases it amounts to 25 per cent of the income-tax which is imposed by the Central Government.

Now, Sir, the House may ask why is it that we have brought a Bill before the Central Legislature. Well, there are various reasons for that, but I will mention only three. The first reason is that in the proviso to section 142A (2) of the Government of India Act it is laid down that in the case of those provinces where there was on a certain date already a tax on professions in force greater in incidence than the Rs 50 that should remain, unless at any time other provision is to be made by a law of the Federal Legislature. So that this Legislature is the competent authority to deal with this matter as far as those provinces are concerned to which the main body of this section does not at present apply. Secondly, in Madras, we are now operating with an administration under section 93 of the Government of India Act and although it is true that the Governor may enact legislation, the operation of such legislation is limited to two years. In the third place, it appears to us that other provinces than Madras may be affected and that, therefore, we should promote a Bill on an all-India basis and ask the Central Legislature to pass it.

Now Sir, the Bill itself is quite a brief one. The Bill merely seeks to give effect to the demand that the Professions Tax levied by municipalities and local boards under provincial legislation, based solely on income should be subject throughout British India to the maximum of Rs 50 per annum, and extends the limit laid down in sub-section (1) of section 142A of the Government of India Act 1935 to all these provinces.

to which owing to the proviso of that section that limit does not apply. We feel that although we are dealing first of all with a Madras problem there is need for uniformity throughout India on the matter.

Now, Sir, what would be the effect of this Bill on the finances of the provinces? As far as Madras is concerned, it is difficult to give a precise figure. The total income accruing to local bodies from the levy of this tax amounts to about 12 lakhs of rupees per annum. Not all this income will be affected by the passing of my Bill but a substantial part of it would, and either the local bodies would have to be subsidised by the Provincial Government or to make good the loss or they would have to look for other sources of revenue. I would like to make it clear that the Bill before the House would not affect the existing taxes on companies in the Madras City. As far as other provinces are concerned, it is possible that this Bill may also affect some of them. In Bengal, there is already a Provincial Employments Tax but the amount of it is fixed at Rs. 30 per annum. So that comes within the scope of the limit laid down now by the Government of India Act. Then in the Bengal Municipalities and in the Calcutta Municipalities, there are what are described as licence taxes on individuals and on companies. It is open to doubt whether these will be affected by the Bill but it is obviously wise that the Bill should be circulated for public opinion so that the Governments concerned can examine the provisions of the Bill and see if and to what extent their revenues might be affected. I understand that representation have been received from the Government of the Central Provinces and there are certain taxes there which, it is held, might be affected by the passing of this Bill. Sir, it is true that this Bill raises the general issues which were referred to in the debate in the House of Lords on the introduction of the amending Bill to the Government of India Act. We feel there is a need for clarification. There is also the burden on the individual in Madras. Now that the income-tax surcharge is 88 1/3 per cent., this tax which is now paid by individuals is a real burden, and it must be remembered that the Profession Tax is not allowable as a deduction for computing the taxable income of any assessee.

The Honourable the Finance Member has on the Order Paper a motion for circulation and naturally, I am prepared to accept it. Financial readjustments will be necessary in Madras and the Madras Government will have an opportunity to consider the matter during the next few months. Here I should like to say that, perhaps of all the Provinces, Madras at the moment is better able to deal with a Bill of this description because of the happy position in which it has been placed by its taxation policy in the past and by the prudent and careful trusteeship of its finances. Honourable Members will perhaps be surprised to learn that Madras has an actual surplus of nearly a crore of rupees, and that a large percentage of that has been placed in a revenue reserve for expenditure purposes in the future. The Madras Government can hardly say that they cannot afford to consider the question of a readjustment in the burden of taxation. In Bengal there may be legal difficulties and those can be considered during the recess. Sir, I think I can claim that this Bill has behind it as far as Madras is concerned, widespread support. Various commercial and professional bodies, both Indian and European, have sent me letters and telegrams supporting the Bill. I believe the Honourable the Finance Member has received some of them. I, therefore, do hope that the House will agree to the circulation of this measure for the purpose of eliciting

[Sir F. E. James.]

public opinion, so that the views of Provincial Governments may be obtained. My last word would be to acknowledge with grateful thanks the help which my Honourable friend, Sir George Spence, has given in advising me as to the drafting of this Bill. I know that the giving of such advice is normally not within the scope of his official duties, but everyone in the House will agree with me whom I say that Sir George Spence is a friend to every Member who is in difficulties about the drafting of Bills and that on his judgment all can rely. I also thank the Government of India for their willingness to have the Bill circulated for eliciting public opinion. All I have now to do is to invite the co-operation of this House in removing what we feel, in Madras in particular, to be both an anomaly and an injustice. Sir I move.

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That the Bill be limited to a maximum of Rs 50 per annum the amount payable in respect of any person by way of tax on professions, trades, callings or employments be taken into consideration."

The Honourable Sir Jeremy Raisman. (Finance Member) Sir, I move

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st of August, 1941."

Sir, as my friend Sir Frederick James has himself indicated, the adoption of a measure of this kind would necessitate the survey of a number of existing taxes and the taking of action to replace those taxes by alternative sources of revenue, and on that ground alone, it is desirable that time should be given to all the Provincial Governments and the local bodies affected to consider the possible effect of this measure and to state their views upon it. As regards the general object of Sir F. E. James' Bill it is no secret that the Government of India have for many years been discouraging this type of tax which does, unfortunately, find a place in the finances of local bodies. I myself have taken a part in pointing out to Provincial Governments that they were erecting a superstructure of local or provincial taxation on a foundation which was, to say the least, of very doubtful validity and that at any moment it was liable to be upset by rulings in courts of law, and that in any case it was, on general principles highly objectionable that the field of income-tax jurisdiction should be invaded in this surreptitious way by various what I can only call squatters, for the whole field of our income-tax jurisdiction was being squatted upon by various kinds of authorities. As regards the principle of this measure, it would be impossible for me to oppose or object to it. What happened was that, for the reasons indicated by Sir F. E. James the matter had reached a stage at which it became absolutely essential to demarcate in the most unambiguous manner the boundaries of Central and Provincial jurisdiction on this subject. Parliament did so by means of legalizing to a certain extent these taxes, because they were in existence, they legalized them up to a certain height, so to speak. In regard to taxes which exceeded that height, Parliament was unable to take action which might have drastic, widespread effects, and so they left that situation to be dealt with by the Central Legislature of this country if and when it felt that the matter should be so regulated.

That, Sir, is the general position and I have nothing to add, except that the Government of India, in this matter, must take care that no sudden or drastic change may be made which will leave a number of local bodies or other authorities with a large part of their revenue gone before they have had time to adjust themselves to such a change, and it is exceedingly important that all the interests affected should have good time to consider the matter and that this House should see the opinions which are formed upon the measure before they decide to enact it Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st of August, 1941"

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official) Sir, on behalf of my Party I support the Bill

An Honourable Member: Maiden speech

Lieut.-Colonel Sir Henry Gidney: and I support it for many reasons As one who has suffered from such a Professional Tax myself in Calcutta I realise now that this suffering was a very light one when compared to what is demanded in Madras I, therefore, agree with Sir F E James that this tax is nothing but an unfair encroachment on income-tax which is a revenue of the Central Government, indeed I would say it is stealing a march on it The position has been admirably explained by my friend, Sir F E James, and, if such a tax is to continue the desire expressed for uniformity must be apparent to everyone in this House I do not think it is right for one Provincial Government to levy such a singularly excessive tax—call it "Employment Tax" or "Professional Tax" as compared with other Local Governments and since this is taken as a form of revenue, then it is certainly, in my opinion, encroaching rather dangerously on the line demarking Central from Provincial Revenues and this should be stopped by the Central Government I submit the only way this can be stopped is by the Central Legislature interfering in this matter I am, therefore, glad to know that the Finance Member has agreed to the circulation of this Bill for it is a very long delayed and a very necessary piece of legislation Sir, I support the Bill

Mr. M. S. Aney (Berar Non-Muhammadan) Sir, as the motion for circulation of this Bill has already been moved, I may also say I P.M. something in support of it There is much force in the arguments which my Honourable friend Sir Frederick James had advanced as regards the inequitous way in which use has been made of the powers vested in the Provincial Governments as regards the imposition of taxes on professions and callings But it is to be borne in mind that the Bill, as it stands, purports to legislate upon matters which affect the resources to some extent of the Provincial Government and it is a pity that the measure is being introduced at a time when some of the Provincial Governments which are responsible for creating a situation of this kind are not being run by the people and are solely run by the Governors That is also a matter which is rather to be deplored Anyhow, under these circumstances, it would not have been proper for this House to rush with this measure here As the Honourable the Finance Member himself has

[Mr M S Aney]

tabled a motion for circulation, I believe there will be time enough for the public to express their opinion, and on the strength of the opinions received we shall be in a position to regulate the Bill in such a way as to leave little room for a conflict of the resources between the Provincial Governments and the Government of India hereafter in this matter With these observations, I support the motion for circulation

Maulvi Syed Murtaza Sahib Bahadur (South Madras Muhammadan) Mr President, I whole-heartedly support the motion before the House made by my Honourable friend, Sir Frederick James So far as our unfortunate province is concerned, we are paying four taxes, two taxes to the Municipalities and the District Boards, and the other two to the Government So far as the house-owners are concerned, they have to pay the house-tax as well as the professional tax to the Municipalities, and then we have to pay two taxes to Government, that is, the land tax and the income-tax So, there is no other province throughout India which pays four taxes

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan) in Bengal we pay more

Maulvi Syed Murtaza Sahib Bahadur Bengal and Bombay are richer provinces than Madras Sir, the remarks made by the Honourable the Finance Member are not encouraging though they are not discouraging too He said, the Government would not object to this being considered But, at the same time, they have to consult the Local Governments It is quite true that in such an important matter as this they have to consult the Local Governments At the same time, they should give us some favourable gesture in connection with this Bill, so that the Local Governments may be guided thereby The Central Government should always be in a position to guide the Local Governments I may add that so far as the Madrasis are concerned they should feel thankful to our Honourable friend, Sir Frederick James, for having brought this Bill before the House, and the House will, I hope whole-heartedly support it

MR. President (The Honourable Sir Abdul Rahim) The question is
"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st of August, 1941 "

The motion was adopted

THE CODE OF CIVIL PROCEDURE (AMENDMENT) BILL

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) Sir, I beg to move

"That the Bill to simplify the procedure in appeal to the Federal Court be taken into consideration "

This Bill is a short and simple one It does not seek to amend or alter in any way the substantive law of the country All that it seeks to do is to make it possible to substitute a simple procedure for a complex and dilatory procedure in regard to appeals which come from the High Courts to the Federal Court.

It is known to Members of this House that the Federal Court was established a few years ago under the provisions of the Government of India Act, 1935. Now, Chapter IX of this Act lays down the law relating to the working of this Court, but the procedure relating to appeals which come from the High Courts to the Federal Court is governed by Section 111-A and Order XLV, Rule 17, of the Civil Procedure Code. These were added to the Civil Procedure Code by the Adaptation of Laws Orders in Council in 1937. Now the question is,—was it right to make this adaptation in the present case? The object of the Adaptation Laws Orders in Council was to bring 'the provisions of the law into accord with the provisions of the Constitution Act and, in particular, in accord with the provisions which are constituted under different names, governments and authorities, in India.' According to this Adaptation Laws Order the Government of India has been re-named as the Central Government, but that does not apply to the Federal Court. The Federal Court did not exist before under a separate name. It is a new creation. Therefore, this Adaptation of Laws Orders should not have been made applicable to the procedure of a Federal Court.

Whether this adaptation is *ultra vires* or *intra vires*, I will not discuss. It is not necessary for me to discuss that at the present moment. But I should like to take up the substance of the question. The effect of this adaptation has been to apply the procedure which is applicable in respect of appeals from the High Court to the Privy Council to the appeals from the High Court to the Federal Court. Now, there is no justification for this. The Privy Council is situated at a distance of six thousand miles and when the sections of the Civil Procedure Code, which relate to appeals to the Privy Council were framed, the communications between England and India were far more difficult than they are at the present day. So, a certain amount of spade work was necessary to be done in the High Courts before an appeal could go before the Privy Council. But the situation is entirely different in connection with appeals to the Federal Court. The Federal Court is situated at a very short distance from the different High Courts and, at the present moment, appeals could be placed before the Federal Court without any spade work being done in the various High Courts. This sort of spade work that is being done in the High Courts takes a great deal of time. In the first place appeals can be taken up to the Federal Court after a certificate has been granted by the High Court.

Now, this is according to the Government of India Act. But after a certificate has been granted, the estimate of the amount of costs that has to be paid, the preparation of the paper book, the giving of security and so forth—all these things take a great deal of time. Different periods of limitation are fixed under the rules with regard to each of these items. The result is that the procedure with regard to appeals has become very dilatory. We are all familiar with the procedure of appeals to the Privy Council which every body knows is dilatory and very complex. But it is not necessary to make the procedure so complex and dilatory in the case of appeals to the Federal Court. I, therefore, submit, that there is no necessity for retaining this Adaptation Order. Section 111A which was added by the Adaptation of Order and Order XLV Rule 17 should go. It seems to me that this adaptation was made at a time when the Federal Court had not come into existence and the object was a temporary one. The object was to help the starting of work by the Federal Court. But now that the

[Dr P N Banerjee]

Federal Court has been in existence for a number of years and it has had time to frame its own rules, these impediments should not be in the way

In this connection I should like to urge before the House the view which has been taken of this procedure by no less a person than Sir Maurice Gwyer, the Chief Justice of the Federal Court. He observed some time ago that the Court should be in a position to control from first to last the conduct of appeals which might be brought before it. I may also be permitted to quote the opinion of Sir Shah Sulaiman, whose sudden and premature death we all mourn and whose passing away has made our country poorer than before. Sir Shah Sulaiman said in the case of *Lakshmiswar versus Kesar Lal* "In my order dated the 5th March, 1940, I had said there was no absolute necessity to make the whole of Order XLV of the Civil Procedure Code applicable to the Federal Court appeals even where the only ground taken were a constitutional one". He observed further "I would now go further and say that it is not necessary in other cases", and he concluded his remarks with these words "It is most unfortunate that appellants who have the statutory right to come up to the Federal Court under section 205 of the Act and quite independently of section 109 of the Civil Procedure Code should be hampered by the rules laid down in Order XLV, Civil Procedure Code, which had been meant for different classes of appeals altogether".

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member can continue his speech after Lunch

The Assembly then adjourned for Lunch till Half Past Two of the Clock

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr Deputy President (Mr Akhil Chandra Datta) in the Chair

Dr. P. N. Banerjee: Sir, when House rose for Lunch I was urging that it was not desirable to invoke the Adaptation of Laws and Orders in Council and to add section 111-A and O 45, R 17 of the Civil Procedure Code I quoted in support of my view the opinions of Sir Maurice Gwyer and Sir Shah Sulaiman. I wish now to mention to the House the power which has been given by the Government of India Act to the Federal Court to make its own rules regarding procedure. Section 214 of the Government of India Act runs thus:

"The Federal Court may, from time to time, with the approval of the Governor General in his discretion, make rules of court for regulating generally the practice and procedure of the court, including rules as to the persons practising before the court, as to the time within which appeals to the court are to be entered, as to the costs of and incidental to any proceedings in the court and as to the fees to be charged in respect of proceedings therein, etc."

Thus, the Federal Court has been given power, subject to the sanction of the Governor General in Council, to make its own rules. Therefore, Sir, I urge that if we repeal section 111-A of the Civil Procedure Code and O 45, R 17, automatically the power which is vested in the Federal Court to make its own rules will prevail. Now, a difficulty has been pointed out to me by some of my friends. Section 111-A of the Civil Procedure Code applies the provisions relating to appeals from High Courts to the

Privy Council contained in sections 109, 110 and 111. It has been pointed out to me that if section 111-A is repealed altogether the High Court will require some rules or some enactments in order to govern its power to give a certificate for appeals to the Federal Court. Then, again, it may be urged that it will not do if the whole of Order 45 is omitted. I want to omit rule 17 and this rule makes applicable to the Federal Court Rules 1 to 16 which are now applicable to the Privy Council. Here, again, some rules will be needed. I appreciate the validity of this contention, but as this Bill is going before a Select Committee—under the amendment of which notice has been given by my Honourable friend, the Home Member,—these difficulties may be removed. Perhaps it may be found necessary to retain some parts of sections 109, 110 and 111 and also some parts of the rules under Order 45. But those are details. What I really want is that the present position is very anomalous. There is no analogy between appeals from High Courts to the Privy Council and appeals from the High Courts to the Federal Court. The procedure is cumbersome, complex and dilatory and a simplified procedure is needed.

In this connection, I should like to point out that my Bill does not seek to extend the jurisdiction of the Federal Court in the least. It keeps the jurisdiction as it at present exists. Unless an extended jurisdiction is given to the Federal Court by an Act of this legislature it cannot be extended. I do not seek to extend the power and jurisdiction of the Federal Court. What I want now is that the Federal Court should exercise those powers which have been given to it by Chapter IX of the Government of India Act. Sir, my object, as I said at the beginning, is to simplify the procedure relating to appeals to the Federal Court. This Bill is a short measure and if there are any difficulties in it they may be removed at the Select Committee stage. Sir, I move.

Mr. Deputy President (Mr Akhil Chandra Datta) Motion moved

"That the Bill to simplify the procedure in appeal to the Federal Court be taken into consideration."

The Honourable Sir Reginald Maxwell (Home Member) Sir, I move

"That the Bill be referred to a Select Committee consisting of Sir George Spence, Mr Gopalswami, Mr Muhammad Muazzam Sahab Bahadur, Syed Ghulam Bhik Nawang, Nawabzada Liaqat Ali Khan, Mr Muhammad Azhar Ali, Mr M S Aney, Dr P N Banerjee, Sardar Sant Singh, Mr P J Griffiths, Rao Sahib N Sivaraj and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five and that the Committee be authorised to meet in Simla."

I need say little in support of this motion. Government regard this measure as rightly conceived and are prepared to support it. They have already done their best to expedite it by consulting Provincial Governments, executively rather than waiting for a motion of circulation to be passed in this House. As a result of the discussions since the Bill was introduced, a certain number of drafting points have arisen, which would better be dealt with in a Select Committee and the Honourable the Mover himself has pointed out that there are such matters which a Select Committee would be a more convenient means of considering. I hope, therefore, that the proposal to refer the Bill to a select Committee will be accepted.

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendmnent moved

"That the Bill be referred to a Select Committee consisting of Sir George Spence, Mr Gopalswami, Mr Muhammad Muazzam Sahib Bahadur, Syed Ghulam Bhik Nairang, Nawabzada Liaqat Ali Khan, Mr Muhammad Azhar Ali Mr M S Aney, Dr P N Banerjee Saidai Sant Singh, Mr P J Griffiths Rao Sahib N Sivraj and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five and that the Committee be authorised to meet in Simla."

Sir Syed Raza Ali (Cities of the United Provinces Muhammadan Urban) Sir I have just a few observations to make on this Bill, as also on the Home Member's motion that the Bill be referred to a Select Committee. Fortunately the Bill before the House does not raise the extremely complicated question as to whether it is desirable or not to extend the jurisdiction of the Federal Court. Very rightly, Dr Banerjee, who is well acquainted with the intricacies of the problem has made it quite clear that his main purpose is to do away with section 111 (4) of the Code of Civil Procedure, as also Order 45, rule 17 of the same Code, in relation to the procedure applicable to those appeals which come up before the Federal Court under the provisions of section 205 of the Government of India Act. I think that is a desire with which every Member of this House who knows the difficulties of the problem will have very considerable sympathy. I do not think I need repeat the arguments which were carefully gone into by Dr Banerjee. Suffice it to say that the position today as put before the House by Dr Banerjee is that in all those cases where a certificate is given by a High Court under section 205 of the Government of India Act, 1935, the cumbersome procedure relating to appeals to the Judicial Committee of the Privy Council from the judgments of the High Court or any other court of final jurisdiction is applicable. This is objectionable on two grounds first the procedure is dilatory, secondly it is unnecessarily expensive. For instance, as he hinted, there is no reason why the provisions relating to the printing of the paper book for the use of the Privy Council should apply when the appeal lies to the Federal Court. The thing can be done at much less expense and more expeditiously in the case of all those appeals which are to be heard by the Federal Court. So that, so far as the desire to simplify the procedure without introducing any question of principle as to the jurisdiction at present exercised by the Federal Court is concerned, I think every member of the legal profession would be in sympathy with Dr Banerjee's motion.

While giving my support to this part of the motion, let me make it quite clear that about the extension of the jurisdiction of the Federal Court, as envisaged in section 206 of the Government of India Act of 1935, there is considerable difference of opinion. The question was ventilated very carefully in this House on the 17th February, 1925, when a Resolution recommending the establishment of a Supreme Court in India to hear appeals from the High Courts was moved in this House by Sir Hari Singh Gour. Those who have had occasion to read that debate know that it produced a very heated discussion in which a number of distinguished lawyers including the leader of the then Swaraj Party, Pandit Motilal Nehru, took part. The weight of opinion on that occasion was that it would not promote the cause of justice if the jurisdiction that at present vested in the Judicial Committee of the Privy Council was taken away and conferred on a Supreme Court established in India. I must say that

so far as I can judge the main ground on which that opposition was based was this

Mr. Deputy President (Mr Akhil Chandra Datta) But we are not concerned with that question now

Sir Syed Raza Ali: Fortunately we are not I just want to make it quite clear that my support to this motion does not mean that I stand committed to the second proposition also, namely, the extension of the Federal Court's jurisdiction In this House sometimes apprehensions are aroused which for the time being are unnecessary

I well remember that our innocent motion for the recognition of communal unions by the Government was opposed on the ground that today we wanted recognition of communal unions but tomorrow we might ask for the extension of the same principle to trade unions On that analogy I just wanted to make my point quite clear, though this House will remember there was no mention whatever about the recognition of trade unions by the Government in the motion which was discussed two days ago Similarly, I hope that the motion moved by my friend is not the thin end of the wedge, if I may say so, and by accepting it this House is far, far from committing itself to giving its blessing to any proposal to extend the jurisdiction of the Federal Court I make it quite clear, because at times misunderstandings do arise as to what we meant on a particular occasion

Dr. P. N. Banerjea: I made that clear

Sir Syed Raza Ali: I must say that you also made the position quite clear It is in that light that I rise to support this motion for reference to Select Committee where all the pros and cons of the question can be carefully gone into and the Bill can be carefully revised and improved upon Sir, it is in this light, and subject to the remarks I have made, that I support the motion

Mr. Lalchand Navalrao (Sind Non-Muhammadan Rural) Sir, to me this measure does not seem to be so simple I have no objection to giving certain powers to the Federal Court in regard to practice and procedure, and its powers may be extended thus far and no further But as the Bill is framed, I feel that certain legal complications will arise The Bill says "Powers be given to the Federal Court under section 214 of the Government of India Act" Now, the Federal Court has got those powers, but we have to look to section 214 to see what exact powers it has got, and consistently with those powers we can give them more powers, but nothing more Section 214 says "The Federal Court may from time to time with the approval of the Governor General in his discretion make rules for the court for regulating generally the practice and procedure of the court"—I lay particular stress on the words "practice and procedure", and I ask the Honourable Member to give his attention to that The latter part of section 214 read with the context of the whole section will also show that those rules are said to include rules as to the persons practising before the court, as to the time within which appeals to the court are to be entered, as to the costs incidental to the procedure in the court, as to fees to be charged in respect of the proceedings and so forth Therefore, it is quite clear that we can give power to the Federal Court to make any rules they like with regard to practice and procedure.

[Mr Lalchand Navalrai]

Now, what does this Bill seek to do? It wants two things. It is said that section 111A of the Code of Civil Procedure, 1908, hereinafter referred to as the said Code is hereby repealed. Now, my friend, Dr Banerjee, wants that section 111A should be deleted, and that rule 17 of Order 45 in the First Schedule to the said Code be also repealed. I leave out first of all the question of procedure with regard to Order 45, rule 17, because that is a provision which relates to practice and procedure. But so far as section 111 is concerned it has reference to sections which are substantive law, and if we are going to delete section 111A, then we should also delete sections 109 and 110 and 111, in other words, if we delete 111A, then it will be necessary even for the Federal Court to be guided by a certain law, and that law is contained in sections 109 to 111. Therefore, the first point is whether we can delegate power to the Federal Court to make law as contained in sections 109 to 111. No, because that is the power of the Legislature. The Legislature has made this substantive law in the C P C and the procedure is contained in the orders and rules. So far as the orders and rules are concerned, we can give some power to the Federal Court, but so far as the substantive law is concerned, we will be giving away our own powers to the Federal Court, in fact, they will be usurping our powers which we cannot allow to do.

Now, Sir, after this point was brought to his notice, my friend, the mover of the Bill himself admitted that there are certain portions of sections 109 to 111 which will be necessary for the use of the Federal Court, and therefore to delete 111A completely would not be necessary at all. On the contrary they should be retained, and that will not interfere with the procedure which will be amended. The main object of this Bill is to remove the dilatoriness and difficulties that exist in the present procedure when appeals are made to the Privy Council under Order 45, Rule 17. Therefore, section 111A should remain as it is. In other words, I would say there is no necessity for removing rule 111A, because it is a necessary section for giving powers of section 109 or as much of section 109 to 111 as may be applicable to the Federal Court. It will not do any harm at all. On the contrary, it will mean retaining the substantive law which we have made. These sections will remain and will be applicable to the Federal Court also. Therefore, I submit that this portion of the amendment which is asked for should not be allowed. If done, the difficulty will arise, if we take away section 111A. Therefore, so far as the Federal Court is concerned, the Bill itself wants that the Federal Court should make its own practice and procedure. But if section 111A is repealed it may be assumed that the Federal Court has power even to make the substantive law similar to contained in section 111—I think I have made my point quite clear, that so far as the substantive law is concerned, we cannot delegate powers to anybody, and these sections should be retained because the Federal Court is working under them. If you are going to take away section 111A completely, you are taking away section 109 to 111 also. The substantive law is different. If tomorrow section 106 is made applicable, what will happen? The pecuniary jurisdiction of Federal Court is shown in section 106, but not the other provisions. Therefore, section 111A should not be deleted at all. It is not necessary for the aims and objects which my Honourable friend has, namely, to remove the dilatory procedure and those provisions which are detrimental to the interests of the appellants.

Coming to order 45, rule 17, I submit that the Code of Civil Procedure is so divided that the substantive law has been put in the first portion, and then they have made the orders and rules. That shows the difference between the sections and the procedure and practice contained in the orders and rules. Order 45 is also divided into two portions. One is up to rule 6, and these rules apply to the High Court before giving a certificate for the appeal being lodged, and the rest deal with the question of security and other things, which come into play after the certificate has been given. What my Honourable friend wants is that in the High Court there is dilatoriness, there are so many difficulties there, so much time is wasted, and that the Federal Court should be allowed to simplify their procedure and frame certain simple rules for the purpose. The sole complaint of the Bill is with regard to that. From that point of view I shall have no objection if the Select Committee may consider it and find out which portions should be retained and which portions of order 45 should be deleted. In other words, the Bill would emerge from the Select Committee like this. Clause 2 of the Bill would be deleted, and as regards clause 3, only those portions of order 45, rule 17, should be retained as far as they relate to the stage after the certificate has been given. With these observations I resume my seat.

Pandit Lakshmi Kanta Maitra (Presidency Division Non-Muhammadan Rural) Mr Deputy President, if I intervene in the debate at this stage, it is not for the purpose of making a speech to elaborate the points that arise in connection with this Bill but only to remove a misapprehension that has been caused by the speech of my Honourable friend, Sir Syed Raza Ali. My Honourable friend referred to the debate of the Legislative Assembly in the year 1925 relating to the subject of the establishment of a Supreme Court in this country. In that connection he referred to the opposition of the then Leader of the Opposition, Pandit Motilal Nehru, and also drew attention to the general feeling of opposition to the provision of a Supreme Court in India. But the present Bill has got nothing to do with the establishment of a Supreme Court or the extension of the appellate powers of the Federal Court. We had a resolution tabled to that effect, which was in my name, but it could not be reached yesterday. The present Bill is only to simplify the procedure in appeals to the Federal Court. Be that as it may, I desire to draw the attention of the House to the fact that in the debate referred to by my Honourable friend, Sir Syed Raza Ali, his esteemed Leader, Mr M. A. Jinnah, while eulogising the Judicial Committee of the Privy Council, observed as follows with regard to a particular class of its judgments. I will give one quotation only, which I am sure will give a clear indication of the position he took up at that time. Mr Jinnah said that he refused to believe that the establishment of a Supreme Court in this country was going to lower the prestige of the Provincial High Courts. I may quote Mr Jinnah's own words:

"How is it going to lower the prestige of the provincial High Courts? Then, you find in the Privy Council, for which I have great respect, although I have no hesitation in saying that the Privy Council have on several occasions absolutely murdered Hindu law, and slaughtered Muhammadan law—with regard to Common law, the English law, of which they are the masters, undoubtedly they command the greatest respect of every practitioner and of every Judge in this country."

So, my Honourable friend's esteemed Leader, Mr Muhammad Ali Jinnah, had something very different to say from what he himself said just now on the principle underlying this Bill. The present Bill does not

[Pandit Lakshmi Kanta Maitra.]

deal with the question of extending the powers of the Federal Court but only proposes to clarify the procedure with regard to appeals Sir, I hope my friend will realise from this that even his own Leader was in favour of a much larger measure, of a much more comprehensive measure than that which is sought in this Bill

Sir Syed Raza Ali: Will my Honourable friend go through the rest of his speech?

Pandit Lakshmi Kanta Maitra: I have read through the whole of it and I have not found that Mr Jinnah has contradicted himself anywhere in this speech He might have said something different elsewhere My Honourable friend is in a better position to know that, as he knows his Leader better than I do So far as it appears from the proceedings of the debate, I take it at its face value Sir, I support this motion

Dr. Sir Ziauddin Ahmad (United Provinces Southern Divisions Muhammadan Rural) I would like to add the name of Sir Syed Raza Ali to this Committee

The Honourable Sir Reginald Maxwell: I accept that

Dr. P. N. Banerjea: In view of the statement made by the Honourable the Home Member, I accept his amendment

Mr. Deputy President (Mr Akhil Chandra Datta) An amendment has been moved that the name of Sir Syed Raza Ali be included in the Select Committee The question is.

"The question is that the Bill be referred to a Select Committee consisting of Sir George Spence, Mr Gopalaswami, Mr Muhammad Muazzam Sahib Bahadur, Syed Ghulam Bhik Narang, Nawabzada Liaqat Ali Khan, Mi Muhammad Azhar Ali, Mr M S Aney, Dr P N Banerjea, Sardar Sant Singh, Mr P J Griffiths, Rao Sahib N Sivara, Sir Syed Raza Ali and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five and that the Committee be authorised to meet in Simla."

The motion was adopted

THE INDIAN EVIDENCE (AMENDMENT) BILL

Qazi Muhammad Ahmad Kazmi (Meerut Division, Muhammadan Rural) Sir, I am not moving my motion No 15 but shall move No 16

Sir I move-

"That the Bill further amend the Indian Evidence Act, 1872, for certain purposes, be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941."

This Bill is intended to provide for a provision in the Indian Evidence Act which will prove of great benefit to litigants and the absence of which has proved a great handicap to them, owing to a decision of the Privy Council

Under section 90, certain presumptions can be made in respect of documents more than 30 years old, provided they came from proper custody. The presumption was formerly held applicable to copies of the documents also. The Allahabad and other High Courts have held that if an original document more than 30 years old is missing and a copy of it comes from proper custody, according to the provisions of the Indian Evidence Act, the copy is admissible in evidence and that the same presumption of genuineness shall attach to it as attaches to the original document. But in Privy Council case, on a strict interpretation of section 90 of the Indian Evidence Act, Their Lordships came to the conclusion,—and rightly so, because so far as the present wording is concerned, it does not contemplate a copy, but only the original document,—that the presumption would not apply to the copies. Only if the original document is produced, it will be taken to be genuine.

Now, Sir, in actual practice, when a document of more than 30 years old is brought before the Court, it is very difficult to prove whether it is an original document or a copy, because it is very difficult to do so after a period of 30 years—not only 30 years, it may be 50 or 100 years and so on. It is very difficult to find the executant. He may be dead. It will be very difficult to find the attesting witnesses, they may be dead. It is on account of this difficulty that the Legislature provided that in such cases the document shall be considered a genuine document. In the case of copies, it becomes still more difficult, because, in the case of the original document, the signature of the attesting witnesses is there, and, after a period of 30 years, though the executant and the attesting witnesses may be dead, there may yet be some persons who may be able to recognise their signatures and say that these are the signatures of such and such persons. In the case of copies, the difficulty becomes all the greater, because there are no original signatures of either of the persons. It can also be argued on the other side that it will also be possible for people to prepare some fictitious documents, keep them on, and, after a period of 30 years, not to produce the original documents, but only the copies. Suppose I get a sale deed of the fort executed in my favour, keep the document with me for a period of 30 or 40 years, produce a copy and say that it comes from proper custody, and, therefore, it must be taken as genuine. The difficulty would be very great in these days when very ingenious persons have come into existence due to the ingenious laws of this country. But any way the difficulty is there, and, instead of making the presumption generally as it was the case up till now, the suggestion I have made is that a provision should be made in favour of the copies of registered documents. In the case of registered documents, there will be much less danger of any kind of fraud and there seems to be no way out of the difficulty. It is for that reason that I have introduced this Bill and I hope the House will accept the motion for circulation at the present stage.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That the Bill further to amend the Indian Evidence Act, 1872, for certain purposes, be circulated for the purpose of eliciting opinion thereon by the 1st August, 1941."

The motion was adopted

* THE INDIAN SUCCESSION (AMENDMENT) BILL

Dr. F. X. DeSouza (Nominated Non-Official). Sir, I beg to move for leave to introduce a Bill further to amend the Indian Succession Act, 1925.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That leave be granted to introduce a Bill further to amend the Indian Succession Act, 1925."

The motion was adopted

Dr. F. X. DeSouza: Sir, I introduce the Bill

The Assembly then adjourned Till Eleven of the Clock on Friday, the 28th March, 1941

LEGISLATIVE ASSEMBLY.

Friday, 28th March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

EXECUTION OF SERVICE AGREEMENTS BY CERTAIN WORKS MISTRIES ON NORTH WESTERN RAILWAY

516. *Mr. Lalchand Navalrai: (a) Will the Honourable Member for Railways be pleased to state whether Works Mistries appointed on the North Western Railway prior to 1st March, 1938, have signed service agreements?

(b) Is it a fact that only members of subordinate service sign such agreements?

(c) If the reply to part (b) above be in the negative, which other classes of labour service on the North Western Railway have executed agreements on one rupee form with the administration? If none, how is it that only Works Mistries from the labour service on the North Western Railway were asked to execute service agreements?

The Honourable Sir Andrew Clow: (a) Yes

(b) No

(c) Daily rated Workshop and Shed staff who have put in three years' service. The latter part does not arise

Mr. Lalchand Navalrai: May I know why the work mistries are being treated differently? Are they not subordinates?

The Honourable Sir Andrew Clow: I do not think they are subordinates

Mr. Lalchand Navalrai: Are they inferior servants?

The Honourable Sir Andrew Clow: That ought to be within the knowledge of the Honourable Member. He has asked me a number of questions on this subject.

Mr. Lalchand Navalrai: As agreements are not being taken from the subordinates, may I know why agreements should be taken from these men?

The Honourable Sir Andrew Glow: I think agreements are being taken from subordinates.

Mr. Lalchand Navalrai: My information is that they are not being taken. Will the Honourable Member kindly inquire in the matter?

The Honourable Sir Andrew Glow: My recollection is that I have answered a number of previous questions on this subject to the Honourable Member. The mere execution of a service agreement does not involve an adequate reason for classifying a man in a particular group of service. It is based on different considerations.

Mr. Lalchand Navalrai: Why should there be any agreement at all?

Mr. President (The Honourable Sir Abdur Rahim) Next question.

STEPS FOR AN INDO-AFGHAN TRADE PACT.

517. *Mr. Govind V. Deshmukh: (a) Will the Foreign Secretary please state if the necessity for an Indo-Afghan Trade Pact was brought to the notice of Government by the Frontier Chamber of Commerce, Peshawar, several times? If so, what steps have Government taken so far to bring about a trade pact between the two countries?

(b) Were there any explanatory trade talks by Government with His Excellency Sardar Abdul Majid Khan, the Afghan Trade Minister, in 1939 at New Delhi? If so, what was the result of these talks?

Mr. O. K. Caree: (a) and (b) As was stated in answer to question No. 18 asked by Mr T S Avinashilingam Chettiar on the 3rd February, 1939, discussions were held with an Afghan Trade Delegation led by Sardar Abdul Majid, Afghan Minister of Economics. These were of an explanatory nature, but detailed examination has been made since of the possibility of concluding a trade pact between India and Afghanistan. All such negotiations are however complicated by the fact that Afghan trade is in the main controlled by a monopoly system of State Trading Companies, whereas in India trade is not subjected to State control. The Government however maintain a trade agent in Kabul to advise Indian traders of promising opportunities for expansion of Indian exports. It is relevant that the figures of Indian piece-goods exported have arisen from some Rupees 24 lakhs in 1937-38 to Rs 28 lakhs in 1939-40, while for tea the rise for the same periods has been from Rupees 3½ lakhs to Rs 8 lakhs. With regard to imports Government bear constantly in mind the interests of Indian traders, particularly in the matter of provision of rupee exchange.

Mr. Govind V. Deshmukh: May I ask whether at any stage of the negotiations and before the conclusion of the pact, Government intend to associate non-officials—traders or otherwise?

Mr. O. K. Caree: No, Sir, not in the international negotiations. It will not be possible to associate them actually with negotiations with a foreign Government.

Mr. Govind V. Deshmukh: What is the objection if Government associate non-officials in this particular case before concluding the pact?

Mr. O. K. Caree: Because the negotiations are very delicate

Dr. P. N. Banerjea: What is the stage at which these negotiations stand at the present moment?

Mr. O. K. Caree: It would not be advisable in the public interest to disclose it

Mr. Govind V. Deshmukh: May I ask if Government intend before the ratification of the pact to put that agreement before the Assembly?

Mr. O. K. Caree: It is not intended to ratify any pact or to enter into any pact. It is intended to explore possibilities of improving trade between India and Afghanistan on specified lines and not to enter into a formal pact.

Mr. Govind V. Deshmukh: May I know what are those specified lines?

Mr. O. K. Caree: The various lines of trade in which India is interested in Afghanistan, for example, dried fruits and so on

Mr. Govind V. Deshmukh: I want the specification of those lines?

Mr. President (The Honourable Sir Abdur Rahim): Next question

MUSLIM OFFICERS EMPLOYED BY THE CALCUTTA, MADRAS, BOMBAY AND KARACHI PORT TRUSTS.

518. *Maulvi Muhammad Abdul Ghani (on behalf of Mr H A Sathar H. Essak Sait) Will the Honourable Member for Communications be pleased to state.

- (a) seeing that the figures supplied in answer to my starred question No 99, asked on the 16th November, 1940, show that there are only three Mussalmans out of 252 officers in the Calcutta Port Trust and that during the last sixteen years only two Muslims were recruited out of a total of 88 officers recruited, whether he is prepared to issue instructions for the reservation of a number of next vacancies for Mussalmans only to make up the great disparity that these figures disclose,
- (b) the number of officers employed by the Madras, Bombay and Karachi Port Trusts, separately, and the number of Muslims among them also separately for each Port Trust,
- (c) how many recruitments were made in the officers' grade in each of the above three Port Trusts since 1925 and how many of them were Muslims, and
- (d) whether Muslim representation in these services is adequate; if not, what steps the Honourable Member contemplates to place Muslim representation on a satisfactory basis?

The Honourable Sir Andrew Clow: (a) and (d) As I explained to the Honourable Member in reply to part (c) of his question No 99 asked on

the 16th November, 1940, the power to fill appointments under the Port Trusts, vests by law in the Commissioners, their Chairman or Deputy Chairman, except in the case of a small number of high posts. On a previous occasion the policy followed by the Government of India in regard to direct recruitment was brought to the notice of Port Trusts with a suggestion that they should adopt a similar policy as far as possible in regard to their services. I am prepared to ask them to re-examine the matter again, but have no authority to issue instructions in the matter.

(b) The number of officers holding posts on a maximum salary of Rs 500 and above on 31st March, 1940, was 16 at Madras, 106 at Bombay and 31 at Karachi. There were no Muslims at Madras, two at Bombay and two at Karachi.

(c) Such information as is readily available is being collected and a statement will be laid on the table in due course.

Dr. P. N. Banerjea: Have the Central Government the power to compel the Port Trusts to accept a communal ratio in service?

The Honourable Sir Andrew Glow: No, Sir. As I have already said, I have not got the power to issue instructions in that matter.

PARCEL CLERKS AT THE DELHI RAILWAY STATION.

519. *Khan Bahadur Shaikh Fasi-i-Haq Piracha: (a) Will the Honourable Member for Communications be pleased to state the total number of parcel clerks at the Delhi Junction Railway Station and the number of Muslims among them?

(b) How many of these are day duty jobs and how many of such jobs are occupied by Muslims?

(c) How many parcel clerks were transferred from February 1940, to June 1940, and how many of them were Muslims?

(d) Will he please state the reason for the transfer of so many Muslim clerks, when non-Muslim clerks with much longer service were retained in Delhi?

(e) Is he aware that there is a great amount of discontent among the Muslim parcel clerks on account of discriminatory treatment meted out to them as against non-Muslims in the matter of transfers, night duty, promotions, etc?

The Honourable Sir Andrew Glow: (a) 91, of whom 21 are Muslims.

(b) 28, of which four posts are held by Muslims.

(c) Seven, of whom four were Muslims.

(d) Transfers are ordered in the interests of service, and the length of service at a particular place is not the criterion.

(e) No.

COLLECTIVE ASSESSMENT OF WATER RATES ON POSTAL AND TELEGRAPH OFFICIALS OCCUPYING GOVERNMENT QUARTERS IN SIMLA.

520. *Bhai Parma Nand: (a) Will the Honourable Member for Communications be pleased to state what the assessed value of the Posts and Telegraphs estate in Simla is and on what actual figure is the free allowance of water made?

(b) What is the composition of the said estate and what classes of officials are housed thereon?

(c) Is it a fact that the Posts and Telegraphs authorities act as agents for the Simla Municipality in the matter of assessing and collecting their water rates? If so, on whose authority?

(d) Is it true that the said estate is assessed collectively, whereas, if separately assessed in independent unit blocks, the tenants would be eligible to a far larger allowance of free water? If so, why is this privilege denied to the staff?

(e) Are Government prepared to review all bills and respective collections made hitherto on account of water and also excess water, separately, and refund any and all wrong debits made? If not, why not?

(f) Has any one of the various Inspecting Officers of the Posts and Telegraphs Department examined this question in the last decade with a view to improving the lot of the staff with regard to water and excess water rates and if so, when and with what result and if not, why not?

Sir Gurunath Bewoor: (a) to (d) These parts reproduce parts (c) to (f) of Mr Muhammad Azhar Ali's unstarred question No 66 on the 16th November, 1940, and I would refer the Honourable Member to the replies then given.

(e) No, as recoveries were made according to the orders in force at the time.

(f) No, as no representations on the subject were received from the staff.

DELAY IN PENSIONARY SETTLEMENTS OF CERTAIN RETIRED POSTS AND TELEGRAPH DEPARTMENT OFFICIALS IN THE PUNJAB AND NORTH-WEST FRONTIER POSTAL CIRCLE

521. *Bhai Parma Nand: (a) Will the Honourable the Communications Member please state the number of officials of the Posts and Telegraphs Department located in the Punjab and North-West Frontier Circle who have retired from the service during the six months ending the 31st December, 1940?

(b) What is the time generally necessary in dealing with each such case finally from the date of retirement?

(c) Under the rules, are grants of anticipatory pensions made in each case tentatively, whilst the cases are being disposed of finally? If so, when and at which point does the payment of anticipatory pension commence?

(d) How many cases are there within this Circle where, regular wages having once ceased, neither anticipatory nor final pensionary dispensations or dues have been granted for three, four, five and six months continuously and, if so, why?

(e) Are Postmasters General of Circles required to hasten and conclude pensionary settlements with the least possible delay? If not, why not?

The Honourable Sir Andrew Clow: (a) 119

(b) This depends on the circumstances of each case

(c) The payment of anticipatory pension is sanctioned in cases in which the grant of final pension is likely to be unduly delayed

(d) Of the 119 cases mentioned in reply to part (a), the number of cases in which no pension or anticipatory pension was paid for 3, 4 and 5 months were 15, 2 and 1 respectively. There has been no case of this kind pending for 6 months.

Of the 15 cases pending for 3 months, the delay in 6 was due to the officials concerned having proceeded on invalid pension, which made it impracticable to verify their services in good time before their retirement. The delays in other cases were due either to difficulties in verifying the services of the officials for want of records, etc., or to the necessity for recovering amounts overpaid, or to other causes of a similar nature.

Of the two cases pending for 4 months, one was delayed owing to the retention of an official beyond the prescribed age limit and in the other the pension papers could not be prepared because at first the whereabouts of the official was unknown and when his address was available he refused to sign the pension papers.

The case pending for 5 months was delayed because the official had been held financially responsible in an embezzlement case. He appealed to the Postmaster General against the decision of recovery from him of a portion of the loss, his appeal was accepted and orders were passed for payment of his full pension.

(e) All officers are expected to deal with such cases as expeditiously as practicable.

Mr. Lalchand Navalrai: With reference to part (e), of course the officers are warned to go on with these cases soon. But when are these pending cases to be decided? Will they take a long time? That is the question in part (e).

The Honourable Sir Andrew Clow: I took part (e) as being quite general in its terms. Progress is always being continued.

Mr. Lalchand Navalrai: About these cases that are pending, are they disposed of soon?

The Honourable Sir Andrew Clow: They are being disposed of as time goes on.

NON-TRANSFER OF THE SUPERINTENDENT, RAILWAY MAIL SERVICE, "L" DIVISION, LAHORE

522. *Mr. Amarendra Nath Chattopadhyaya: (a) Is the Honourable the Communications Member aware that the present Superintendent, Railway Mail Service, "L" Division, in the Punjab Circle has been holding the charge of that Division for the last nine years continuously?

(b) Is he aware that orders for his transfer were issued more than four years ago, but later on cancelled?

(c) Is it a fact that under the Departmental rules an officer cannot be posted to the same station continuously for more than eight years and cannot hold charge of a division for more than four years?

(d) Is he aware that the said Superintendent was transferred out of Lahore in November, 1936, but he remained in Lahore?

(e) Is he also aware that orders of his transfer out of Lahore were again issued in August 1940, but were cancelled in January 1941?

(f) Is it a fact that the approval of the Local Government is necessary to the return of an officer on a tenure post for a period in excess of four years? If so, was the same obtained in the above case?

(g) Will he please state the reasons for retaining this officer in Lahore beyond the prescribed period, and is this policy followed uniformly? If so, will he please state such cases?

Sir Gurunath Bewoor: (a) It is not a fact that the present Superintendent, Railway Mail Service, "L" Division has been holding charge of that Division for the last nine years continuously.

(b) Orders for the transfer of this officer who was then holding the post of Assistant Postmaster General were issued in December, 1936, but were later modified and not cancelled.

(c) The reply to the first part of the question is in the negative and to the second part in the affirmative.

(d) Orders were issued on the 10th December, 1936, transferring the officer out of Lahore but these were modified by the orders issued on the 14th December, 1936, under which he was posted to the "I," Division with headquarters at Lahore.

(e) Orders for the transfer of this officer out of Lahore were issued in September, 1940, and not in August, 1940. They have not been cancelled.

(f) The reply to the first part is in the negative, the latter part does not arise.

(g) The officer has not been retained in Lahore beyond the prescribed period. The rest of the question does not arise.

Dr. P. N. Banerjea: What is the usual period for which a person is stationed at a place?

Sir Gurunath Bewoor: There is no fixed period. There are certain periods laid down for charge of Divisions. It is four years maximum for charge of a particular Division.

Dr. P. N. Banerjea: For this particular post, what is the period?

Sir Gurunath Bewoor: Four years.

Dr. P. N. Banerjea: Has he not been retained for more than four years?

Sir Gurunath Bewoor: No.

PAUCITY OF INDIANS IN THE SUPERIOR ESTABLISHMENT OF STATE RAILWAY

523. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Honourable the Railway Member please state the number of Indians, Europeans and Anglo-Indians in the Superior establishment of each of the Railway Presses?

(b) How many permanent, officiating and temporary appointments have been made in each of the North Western, East Indian and Great Indian Peninsula Railway Presses since 1st January, 1960, and how was each vacancy filled up and by whom?

(c) What are the qualifications, etc. of each man so appointed?

(d) What is the procedure for filling up these vacancies in each of these Presses and are they advertised? If so, in which papers?

(e) Will he please state whether he is satisfied that no Indian qualified for each of these appointments was available in the Press or outside?

(f) What efforts were made each time to secure suitable Indians for these appointments?

(g) Is he aware that there are quite a large number of Indians with British qualifications and otherwise fully trained for the superior jobs, but they are not considered at all?

(h) What action does he propose to take to see that Indians are given their due share in these appointments?

The Honourable Sir Andrew Glow: (a) Of the five gazetted appointments in the presses, three are held by European and two by Indians.

(b), (c) and (d). Information is being collected and a reply will be laid on the table of the House in due course.

(e) No; but I would observe that where appointments are made from within the service, no preference is shown for members of any race or community.

(f) Information is being collected as regards appointments from outside railway service and a reply will be laid on the table in due course.

(g) No

(h) I have no steps in contemplation at present, as it is not clear that any are required.

PROMOTION TO GRADE II OF CLERKS IN THE DIVISIONAL OR DISTRICT OFFICES ON NORTH WESTERN RAILWAY.

524. *Maulvi Muhammad Abdul Ghani (on behalf of Maulana Zafar Ali Khan) (a) Will the Railway Member kindly state if it is a fact that the initial scale of pay that governed for over 15 years the clerks employed in the Divisional or District Offices on the North Western Railway and the Great Indian Peninsula Railway stopped at Rs 60?

(b) Will the Honourable Member be pleased to state (i) the reasons on account of which the system of automatic promotion to grade II after completion of ten years' permanent service in these offices was sanctioned last year on the Great Indian Peninsula Railway and (ii) why this principle cannot be adopted on the North Western Railway?

The Honourable Sir Andrew Glow: (a) Yes

(b) (i). I understand the action of the General Manager, Great Indian Peninsula Railway, was based on the desire to remove the anomaly created by an employee on the new scales of pay drawing more than Rs 60 sooner than an employee under the old scales of pay.

(ii) The cases are not analogous

DUTIES OF CLERKS OF GRADES I AND II IN DIVISIONAL OFFICES ON NORTHERN WESTERN RAILWAY.

525. ***Maulvi Muhammad Abdul Ghani** (on behalf of Maulana Zafar Ali Khan). Will the Honourable the Railway Member be pleased to state.

- (a) whether it is a fact that the duties performed by grade I clerks working in the Divisional Offices on the North Western Railway include.
 - (i) noting and précis writing,
 - (ii) checking and upkeep of accounts and
 - (iii) compilation of statistics,
- (b) whether their duties involve possession of a thorough knowledge of the various State Railway Course, and
- (c) whether these clerks have been representing for a number of years that there is actually no line of demarcation in the duties performed by the clerks in grades I and II?

The Honourable Sir Andrew Glow: (a) The duties vary with the particular appointments, but I understand they do not involve an elaborate knowledge of accounts and statistics

- (b) Staff are expected to be conversant with the rules connected with their work
- (c) I understand that the clerks did make the representation referred to

MUSLIMS APPOINTED TO CERTAIN POSTS IN THE DELHI TELEGRAPH ENGINEERING DIVISION.

526. ***Maulvi Muhammad Abdul Ghani** (on behalf of Maulana Zafar Ali Khan) (a) Will the Honourable Member for Communications be pleased to state whether, since the formation of the Delhi Telegraph Engineering Division, any Muslim Accountant was ever posted in this Division? If not, why not?

(b) Was any Muslim Head Clerk posted in the Delhi Telegraph Engineering Division during the last fourteen years? If not, why not?

(c) Was any Muslim clerk ever posted in the Establishment Branch in the Delhi Telegraph Engineering Division during the last fourteen years? If so, for how long, and if not, why not?

(d) Will he please state the number of vacancies, permanent as well as officiating or temporary, that occurred in the posts of Telephone Operators and mistries during the last two years, and how they were filled, community-wise and the educational qualifications and their ages at the time of appointment to those vacancies?

(e) Is it a fact that according to the rules in force, two or more near relatives cannot be posted in the same office? Are these rules being observed in the Delhi Telegraph Engineering Divisional Office?

(f) Is the Honourable Member aware that in 1940 the services of four Muslim Telephone Operators who were all matriculates were dispensed?

with, while non-matriculates were allowed to continue as Operators? If so, why?

The Honourable Sir Andrew Clow: (a) This question should have been addressed to my colleague, the Honourable the Finance Member

(b) The last Muslim Head Clerk retired in 1928 since when no Muslim has been posted as Head Clerk. The reason is that postings of Head Clerks are not made on communal considerations.

(c) Yes, three, one for two years, one for one year and one for four months. The last part of the question does not arise.

(d) Five appointments of telephone operators and five appointments of telephone mistries were made in the years 1939 and 1940. In each case two were Hindus, two Muslims and one a Sikh. All were matriculates except two Hindus. A statement of their ages is laid on the table. As regards temporary vacancies the information is not readily available.

(e) The rule referred to by the Honourable Member states that it is desirable that members of the same family should not be transferred to the same office. I understand that this rule is being observed in the Delhi Engineering Division.

(f) Particulars are being secured from the Delhi Engineering Division and a further reply will be laid on the table in due course.

<i>Statement</i>	
<i>Ages of Telephone Operators</i>	<i>Ages of Telephone Mistries</i>
Hindus, 25 and 21	Hindus, 23 and 21
Muslims, 21 and 20	Muslims, 25 and 23
Sikhs, 23	Sikhs, 21

Syed Ghulam Bhik Nairang: With reference to part (e), may I enquire if the Honourable Member is aware that in the Construction Branch the head clerk has his own brother in the same branch and also a son-in-law of another brother, all in the same branch. I am prepared to give names if the Honourable Member is prepared to enquire.

The Honourable Sir Andrew Clow: I have no information in the matter.

Syed Ghulam Bhik Nairang: I can give the names here and now on the floor of the House.

The Honourable Sir Andrew Clow: If the Honourable Member will give them to the Director General, it will suffice.

UNSTARRED QUESTIONS AND ANSWERS.

DEDUCTIONS FROM WAGES OF GANG STAFF ON JACOBABAD-KASHMIR SECTION, NORTH WESTERN RAILWAY.

216. Mr. Lalchand Navaiyal: With reference to the Honourable the Railway Member's reply to parts (a) and (b) of starred question No 181,

asked on the 20th November, 1940, regarding deductions from the wages of gang staff on Jacobabad-Kashmore section of the North Western Railway, will he be pleased to lay on the table of the House the information promised by him?

The Honourable Sir Andrew Clow: The matter is still under examination.

PRIVILEGE PASSES TO ADOPTED CHILDREN ON NORTH WESTERN RAILWAY.

217. Mr. Lalchand Navalrai: (a) With reference to the Honourable the Railway Member's reply to parts (c) and (d) of my starred question No. 54, asked on the 12th November 1940, regarding privilege passes to adopted children on the North Western Railway, will he be pleased to state the result of his re-examination of the question?

(b) With reference to the Honourable Member's assurance in reply to part (e) of the question referred to above, that equal treatment in the matter of passes will be accorded to children of the employees of all communities what steps have been taken to modify rules so as to allow pass privilege to adopted children after the birth of legitimate children, as is done in the case of step children?

The Honourable Sir Andrew Clow: (a) and (b) The question is under examination.

EXCESSIVE FEE CHARGED BY DOCTORS ON NORTH WESTERN RAILWAY

218. Mr. Lalchand Navalrai: With reference to his reply to parts (a), (c) and (d) of my unstarred question No. 2 asked on the 5th November, 1940, regarding excessive fees charges by railway doctors on the North Western Railway, will the Honourable the Railway Member please state the result of his examination?

The Honourable Sir Andrew Clow: The matter is still under consideration.

SECOND CLASS DUTY PASSES TO INSPECTORS ON STATE RAILWAYS

219. Mr. Lalchand Navalrai: (a) With reference to the Honourable the Railway Member's reply to part (b) of my unstarred question No. 41, asked on the 12th November, 1940, regarding second class duty passes to Inspectors on the State-managed Railways, will the Honourable Member be pleased to state whether any decision has been taken on the recommendations? If so, what is the nature of this decision?

(b) What is the nature of the recommendations?

(c) If no decision has yet been taken, when is it likely to be taken?

The Honourable Sir Andrew Clow: (a), (b) and (c) The matter is still under examination and a decision may be reached next month.

COMMUNAL REPRESENTATION IN SUBORDINATE RAILWAY SERVICES.

220. Mr. Lalchand Navalrai: (a) Will the Honourable Member for Railways be pleased to state the decision of the Railway Board on

Recommendations Nos. 5 and 14 of Mr Hasan's report on the representation of Muslims and other minority communities in the Subordinate Railway Service?

(b) Is it a fact that the Railway Board rejected any arrangement which may savour of communal discrimination in respect of existing employees?

(c) Is it a fact that the General Manager, North Western Railway wrote a letter, No 881-E /281-XVI, dated 8th March, 1940, to all Divisional Superintendents to the effect that in making selections for training, other things being equal, preference should be given to members of minority communities?

(d) Do Government propose to cancel these orders? If not, why not?

The Honourable Sir Andrew Clow: (a) and (b) The Honourable Member is referred to the reply to part (a) of Mr H M Abdullah's starred question No 284 asked on the 19th September, 1939

(c) Yes

(d) The question is under consideration

COMMUNAL RESERVATION IN INFERIOR AND LABOUR SERVICES ON RAILWAYS.

221. Mr. Lalchand Navalrai: (a) Will the Honourable Member for Railways be pleased to state whether it is a fact that in the Government of India, Home Department Resolution, dated the 4th July, 1934, regarding reservation of appointments for minority communities on the Railways, it was clearly stated that the Resolution did not apply to the inferior and labour service employees? If so why is there reservation of appointments in the inferior and labour services on Railways on communal consideration?

(b) Do Government propose to act strictly according to the Resolution mentioned above? If not, why not?

The Honourable Sir Andrew Clow: (a) Yes, but paragraph 2 of the Supplementary Instructions connected with this Resolution made it clear that this exclusion was subject to any special orders that may be issued in respect of any particular class of inferior servants. The reservation referred to in the second part of the question is in accordance with special orders issued

(b) The action of Government is not at variance with the instructions on the Resolution referred to. The second part does not arise

COMPLAINTS AGAINST BANDIPORE POST OFFICE FOR WRONG DELIVERY OF LETTERS.

222. Mr H. A. Sathar H. Essak Salt: (a) Will the Honourable the Communications Member please state whether the Postal authorities received complaints of the public of village Bandipore in 24-Pargana District in Bengal against the Bandipore post office concerning repeated wrong delivery to Bandipore Sishu Vidyalaya School of postal letters for Bandipore U P School in the same village? If so, what action has been taken against the said post office?

(b) Is it a fact that, in spite of these complaints, letters are still being wrongly delivered?

(c) Is it a fact that this has caused discontent amongst the Muslim and Scheduled class communities, to whom the Bandipore U. P. School belongs?

Sir Gurunath Bewoor: (a) One complaint was received from the Secretary, Bandipur U P School and another complaint was received from the Secretary of the Bandipur Sishu Vidyalaya, which claimed to be the only Upper Primary School at Bandipur. Inquiries showed that there were two institutions in the village and the Superintendent of Post Offices was asked to issue instructions for the delivery of all postal articles and money orders addressed to the Bandipur U. P School to the school bearing that name.

(b) There have been no complaints of misdelivery since this decision was taken.

(c) Does not arise.

STATEMENT OF BUSINESS

Sir,
during
request
for the transaction of official business in the business
earlier than I shall request you to cancel any remaining sitting

Mr. President (The Honourable Sir Abdur Rahim) Very well. It will perhaps suit the convenience of the House if the Chair directs accordingly, that is to say, there will be sittings on Monday and Tuesday if the official business is not finished tomorrow. But if it is finished, there will be no further sittings on Monday and Tuesday.

ELECTION OF A MEMBER TO THE COMMITTEE ON PUBLIC ACCOUNTS

Mr. President (The Honourable Sir Abdur Rahim) I have to inform the Assembly that Mr H M Abdullah has been elected to the Committee on Public Accounts.

ELECTION OF MEMBERS TO THE STANDING COMMITTEE FOR THE DEPARTMENT OF COMMERCE.

Mr. President (The Honourable Sir Abdur Rahim) I have also to inform the Assembly that upto 12 Noon on Monday, the 24th March, 1941, the time fixed for receiving nominations for the Standing Committee for the Department of Commerce, four nominations were received. Subsequently one member withdrew his candidature. As the number of remaining candidates is equal to the number of vacancies, I declare Hajji Ghauthury Muhammad Ismail Khan, Mr Amarendra Nath Chatto-padhyaya and Mr J D Boyle to be duly elected.

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1940-41—*contd.*

DEMAND NO. 3—TAXES ON INCOME INCLUDING CORPORATION TAX—*contd.*

Mr. President (The Honourable Sir Abdur Rahim) The House will now resume discussion of the following motion moved by the Honourable Sir Jeremy Raisman.

"That a supplementary sum not exceeding Rs 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Taxes on Income including Corporation Tax'."

The Honourable Sir Jeremy Raisman (Finance Member) Sir, Honourable Members have taken this opportunity to make certain observations on the selection of Members of the Income-tax Appellate Tribunal, and I am glad to have the chance of dispelling certain misunderstandings which appear to have arisen, and of dealing with a certain amount of criticism which has appeared and which to the best of my knowledge is entirely groundless. Let me remind the House of the statutory conditions which had to be fulfilled in relation to the appointment of Members of this Tribunal. Section 5-A of the Income-tax Amendment Act of 1939 provides for the appointment of

"an Appellate Tribunal consisting of not more than ten persons to exercise the functions conferred on the Appellate Tribunal by this Act"

It further provides

"The Appellate Tribunal shall consist of an equal number of judicial Members and accountant Members as hereinafter defined"

Sub-section (3) says

"A judicial Member shall be a person who has exercised the powers of a District Judge or who possesses such qualifications as are normally required for appointment to the post of District Judge, and an Accountant Member shall be a person who has, for a period of not less than six years, practised professionally as a Registered Accountant enrolled on the Register of Accountants maintained by the Central Government under the Auditors Certificate Rules, 1932."

Dr. P. N. Banerjea (Calcutta Suburbs Non-Moslem Urban) These are the minimum qualifications

The Honourable Sir Jeremy Raisman: Yes

"Provided that the Central Government may appoint as an Accountant member of the tribunal any person not possessing the qualifications required by this sub-section if it is satisfied that he has qualifications and has had adequate experience of a character which render him suitable for appointment."

We need not concern ourselves with that proviso because the appointments which have been made are within the scope of the main sub-section. These I think are the main provisions to which I need draw the attention of the House. I might mention sub-section (4) which says that the Central Government shall appoint a judicial member of the tribunal to be the President thereof. Although the Act permits the appointment of ten members we have made a start with only six. The idea is to have three tribunals functioning in different places, each tribunal consisting of one judicial and one accountant member. Now, I should like to indicate to the House the procedure which was actually followed by the Central Government in selecting the three judicial and three accountant members who at present form the personnel of the Tribunal. After careful consideration we came to the conclusion that the best method of

obtaining the judicial members would be to consult the High Courts. And we wrote to the High Courts and we very carefully brought to their notice the exact desiderata for these appointments. I will quote from the letter which we sent.

"The tribunal will be the final court of appeal on questions of fact, on questions of law there will still be a further appeal to the High Court. The intention of the Legislature was that the Tribunal should be a responsible and impartial body capable of giving sound and unbiased decision on the cases which come before them. Both in order to secure the confidence of the tax-paying public in the tribunal and to protect the public revenues the Central Government are particularly anxious to see that the personnel are the best that can be obtained having regard to the circumstances, and in securing this object they would appreciate very much the advice and assistance of the Honourable Judge."

Pandit Lakshmi Kanta Maitra (Presidency Division Non-Moslem Rural) Was thus sent to all the High Courts in India?

The Honourable Sir Jeremy Raisman: Yes

Pandit Lakshmi Kanta Maitra: When was it sent?

The Honourable Sir Jeremy Raisman: In the course of last summer. This was addressed to the Bombay High Court, the Oudh Chief Court, the Calcutta and Patna High Courts, the Madras High Court, the Judicial Commissioner's Court, Peshawar, the Nagpur High Court, the Lahore High Court and the Allahabad High Court

The High Courts sent up their various recommendations and the Government of India went carefully through the list and the candidates submitted for their consideration. My Honourable colleague, the Law Member, naturally assisted me in dealing with this matter. I can assure the House that the only consideration which affected Government was the question of securing suitable personnel for this highly important Tribunal. I know that certain criticisms have appeared in the Press. I can only say, having considered those criticisms, that they are due to a lack of knowledge of the individuals concerned and in some cases to complete misunderstanding of the status and qualifications of the individuals concerned. It is a delicate matter to deal with the merits of individual appointments, but I may say that this matter has been given my careful attention in close consultation with my Honourable colleague, the Law Member, who is naturally the Government of India's specially qualified adviser in matters relating to judicial or quasi-judicial appointments. The gentleman who was appointed as President was very warmly recommended by the Chief Justice of the Lahore High Court and his qualifications and record certainly supported that recommendation.

Dr. P. N. Banerjea: May I know what his qualifications and record are?

The Honourable Sir Jeremy Raisman: I do not know that the House wants me to go into detail. The gentleman in question was admitted to the Bar in 1920 and in 1922 was enrolled as an Advocate. He was later appointed as a lecturer in the Law College. In 1926 he was enrolled as an Advocate of the Lahore High Court. In 1936 he published an excellent treatise on the Law of Evidence. He was appointed Assistant to the Advocate-General in 1937, a post in which he came to the special notice of the Lahore High Court and in which he distinguished himself. The Lahore High Court spoke of him in very high terms.

Dr. P. N. Banerjea: What experience does he possess of income-tax law?

The Honourable Sir Jeremy Raisman: Apart from dealing with income-tax cases, I must take this opportunity to emphasise that income-tax law is merely one section of the law. It is not a very wide field of law and if I were to be restricted to such lawyers who happen to have been practising more or less exclusively in this field, I have no hesitation in saying that it would not be possible to constitute a Tribunal of this kind satisfactorily. It is not a fact that there are a sufficiently large number of persons of the requisite calibre whose practice is devoted more or less exclusively to income-tax cases. I must dispose of that suggestion. That would lead me to the ridiculous position that I must pick up whatever I can find in a comparatively narrow field. But the gentleman in question has dealt with income-tax cases and important income-tax cases. In relation to other members of the Tribunal, one of them was a leading Advocate of the Chief Court of Oudh. He, as a matter of fact, had a considerable practice in income-tax cases. He had been legal adviser to the Commissioner of Income-tax of the Central and United Provinces, and had to some extent specialised in income-tax cases. He also was strongly recommended by the Chief Court of Oudh. Similar considerations apply to the third member who was spoken of by the High Court in terms which certainly indicated his suitability for this kind of appointment. In face of a procedure like this when we have consulted all the High Courts in India and have obtained their suggestions and in addition have obtained the personal views of Chief Justices and so on, I cannot understand on what basis irresponsible critics can come forward and suggest that we have acted in an arbitrary and unwarranted manner and have appointed persons who are not suitable for a high office of this kind.

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural): How are these critics irresponsible?

The Honourable Sir Jeremy Raisman: I say that compared with the procedure which we followed the superficial and light-hearted criticisms which have been thrown out by people are irresponsible because we went through what I consider the only reasonable method of obtaining persons of the requisite status and qualifications.

Dr. P. N. Banerjea: May I ask another question? Did the Calcutta and Bombay High Courts make any recommendation?

The Honourable Sir Jeremy Raisman: Yes, certainly they did. We considered the recommendations of all the High Courts.

Dr. P. N. Banerjea: And those candidates were not suitable?

The Honourable Sir Jeremy Raisman: The recommendations made by the various High Courts had to be taken in conjunction with the remarks which they made. A High Court in making recommendations would say, for instance, "The only persons that we are able to recommend are so and so and these are our remarks on them". It is not merely the fact that names were submitted. You have to take into account the nature of their experience and qualifications, and if I may say so, the warmth of

the recommendation and the degree of value which the High Court itself attaches to its own advocacy of particular names

Mr. Lalchand Navalrai: With regard to Bombay and Sind there will be a joint tribunal may I know if the Chief Court of Sind was consulted in this appointment?

The Honourable Sir Jeremy Raisman: I mentioned the High Courts who were consulted. Certainly the Bombay High Court was consulted. I understand that the Chief Court of Sind did not make any recommendation they were consulted, but they had apparently nobody to recommend.

* **Dr. P. N. Banerjea:** Is it not a fact that the Calcutta High Court suggested the name of a person who has now been appointed as a High Court Judge?

The Honourable Sir Jeremy Raisman: I may say that other High Courts also sent in names which included the name of individuals who have since become High Court Judges or Chief Court Judges. You have also to remember that a person in that position has to accept the post, and, moreover it is not possible for the Government of India to appoint people who wish to be free within a month or six weeks or two months to go away to another post. This post could only be offered to an individual who, at any rate, for a reasonable period, would be free and would be prepared to continue to hold this post.

As regards the accountants, the procedure which we followed was to put the matter to the Public Service Commission the accountant members were selected through the agency of the Federal Public Service Commission who interviewed a considerable number of candidates and, finally, made their recommendations, and the appointments were made in accordance with the recommendations of the Public Service Commission. I know of no more suitable method that could have been followed in regard to those appointments.

I think I have dealt with all the points which were raised. I do not know if there is any other information which Honourable Members wanted in relation to them.

Dr. P. N. Banerjea: I should like to have some information about the Tribunal. The Honourable the Finance Member said that this Tribunal will work in three parts or places. What will be the exact nature of the work done by the three parts or sections?

The Honourable Sir Jeremy Raisman: At present the intention is to distribute the work on a territorial basis that is to say, for the facility of assessees one Tribunal is to be placed in Calcutta, one in Bombay and one in Delhi. Of course they will also, to some extent, be peripatetic, but those are their centres, and it is intended as far as possible that a judicial and accountant member shall form the Tribunal in the first instance.

Dr. P. N. Banerjea: The work will be divided into three zones and the President of the Tribunal will supervise the work of the different parts?

The Honourable Sir Jeremy Raisman: The President of the Tribunal has certain functions he has to devise a procedure for the working of all Tribunals, and I cannot say off-hand what other functions he will perform in relation to the work of the other Tribunals Obviously, questions of a certain nature might be referred to him

Sir Gowasji Jehangir (Bombay City Non-Muhammadan Urban): Where will he be?

The Honourable Sir Jeremy Raisman: He will be in Delhi

Mr. President (The Honourable Sir Abdur Rahim) The question is "That a supplementary sum not exceeding Rs 1,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Taxes on Income including Corporation Tax'"

The motion was adopted

DEMAND NO 4—SALT

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 93,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Salt'"

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 93,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Salt'"

There is an amendment in the name of Mr Chattopadhyaya and Pandit Lakshmi Kanta Maitra—to discuss policy, i.e., to urge manufacture of salt in Bengal How does that come in now? Does the Honourable Member want to speak on the motion? He cannot move the amendment

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division Non-Muhammadan Rural): I wish to speak on the motion

Mr. President (The Honourable Sir Abdur Rahim): He cannot discuss the question of manufacture of salt in Bengal on this motion

Mr. Amarendra Nath Chattopadhyaya: The Finance Member has asked for an additional sum of Rs 93,000 on the ground of salt that the salt tax belongs to the Centre although I am speaking on provincial salt We have received complaints from Bengal about the indifference of the Central Government with regard to the manufacture of salt in Bengal—an indigenous industry

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member cannot discuss that.

Mr. Amarendra Nath Chattopadhyaya: I do not have much more to say but I do not know why I should not be allowed to discuss it on this ground.

Mr. President (The Honourable Sir Abdur Rahim) The Chair has given the reason. It is not within the scope of the motion. The Honourable Member cannot discuss a question of policy like that on a Supplementary Demand.

Mr. Amarendra Nath Chattopadhyaya: It is a question of necessity, not of policy.

Mr. President (The Honourable Sir Abdur Rahim) There were occasions when the Honourable Member could have discussed that that occasion has passed.

Mr. Amarendra Nath Chattopadhyaya: We all know that the Indian National Congress had launched a movement with regard to the manufacture of salt, and as a result of the Gandhi-Irwin Pact that prohibition order was removed, and Bengal had an opportunity to manufacture salt, but neither the Bengal Government

Mr. President (The Honourable Sir Abdur Rahim) Again the Honourable Member is referring to the same question. He knows he cannot discuss it. The Chair has given its ruling quite clearly.

Mr. Amarendra Nath Chattopadhyaya: In that case I shall resume my seat. But it is a question which is very vital to Bengal, and therefore, I should be allowed.

Mr. President (The Honourable Sir Abdur Rahim) It may be so, but the Honourable Member cannot discuss it now.

Dr. P. N. Banerjee: Sir, without discussing the policy, I may mention that the Bengal Government pocketed a large sum of money out of salt revenue and did not spend it for giving protection to the salt industry.

Pandit Nilakantha Das (Orissa Division Non-Muhammadan) Sir, the usual practice is that before the Supplementary Demands are placed before the House they are first placed before the Standing Finance Committee, but in the Note appended as the explanation for the demand, we do not find any reference to the proceedings of the Standing Finance Committee. So I want to know what is the meaning of the note under (3)—“Readjustment necessitated by the writing off of certain engineering works”; what is this writing off, and what is the readjustment?

Then again there is another item—“entertainment of additional staff during the current financial year owing to increase in office work and also to check the smuggling of dutiable goods from the Portuguese territory”. I want to know what was the extent and volume of that smuggling, and why and to what extent it was more acute. Some information on these points must have been given to the Standing Finance Committee, had the items been placed there.

The Honourable Sir Jeremy Raisman: I am afraid I cannot satisfy the Honourable Member in any detail in regard to his questions, but as regards the Standing Finance Committee, I should point out that it is not the

[Sir Jeremy Raisman]

invariable practice to place Supplementary Demands before the Standing Finance Committee. If Supplementary Demands arise from causes which do not involve new decisions or the creation of a new service, if they arise from merely unforeseeable causes and have nothing to do, so to speak, with policy or new services, then we do not consider it necessary to place them before the Standing Finance Committee.

I cannot tell the Honourable Member why the smuggling of dutiable goods from Portuguese territory became a more acute problem this year. I can only state the fact that it was so, and as more staff had to be employed, the Collector of Salt Revenue, who is also the Collector of Customs, found it necessary to ask for this additional assistance. Smuggling is like a war that goes on on a very large frontier and at different times the enemy raids you, the enemy attacks you at different places, and wherever you find him you must cope with him. I cannot tell the Honourable Member what was in the mind of the enemy or the smuggler which made the authorities take special steps in this section of our defences at this particular time. A large part of the excess under Bombay is due not so much to this additional staff as to the fact that there was increased production of salt at Kharaghoda, and that means that working expenses were also greater than had been anticipated. Owing to war conditions there has been an increased demand for salt at certain times and where possible we have to adjust ourselves like any other business to that extra demand.

Pandit Lakshmi Kanta Maitra: What is the item under c 6—Salt purchase and freight? Where was this salt transported, by whom and for what purpose and who paid the freight?

The Honourable Sir Jeremy Raisman: I am afraid I am not familiar with the details of this. I think we have, in addition to manufacturing salt ourselves in certain centres, we also have a system whereby we give licenses to private individuals for the manufacture of salt and purchase salt from them at fixed prices. I think that applies in certain parts of the country, in Bombay and possibly Madras to some extent.

Pandit Lakshmi Kanta Maitra: Freight?

The Honourable Sir Jeremy Raisman: The freight is the cost, I suppose, of taking the salt to the depot.

Mr. Husenbhai Abdullahai Laljee (Bombay Central Division Muhammadan Rural) Why was it necessary to write off certain engineering works?

The Honourable Sir Jeremy Raisman: I think this may have been connected with the attempt to produce at Khewra powdered salt for use of Bengal. That was a project which at one time at the suggestion of certain Members of this House was embarked upon. It turned out, I regret to say, to be a failure and it is possible that.

Mr. Husenbhai Abdullahai Laljee: Is that written off every year because the amount spent was a large one, or is some proportion written off every year?

The Honourable Sir Jeremy Raisman: I am afraid I cannot say whether it is being written off in instalments or whether it was a single write-off.

Pandit Lakshmi Kanta Maitra: The Honourable Member can see our difficulty

The Honourable Sir Jeremy Raisman: The details there are, but I cannot possibly name the head

Mr. President (The Honourable Sir Abdur Rahim) The question is

- That a supplementary sum not exceeding Rs 93,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941 in respect of 'Salt'

The motion was adopted

DEMAND NO. 7—STAMPS.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 5,12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Stamps'"

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 5,12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Stamps'"

Pandit Lakshmi Kanta Maitra: I find that Rs 5,12,000 is the amount of the Demand. It is intended for press charges and contingencies. What is this contingency? And what are the matters that are meant to be covered for the expression "contingencies"?

The Honourable Sir Jeremy Raisman: Sir, the additional sum of Rs 5,12,000 asked for under contingencies is due to increase in the requirements of paper for embossed envelopes, increase in the reserve stocks of imported paper owing to war conditions, increased expenditure on the printing of Defence Savings Certificates and Defence Savings Stamps for which provision was not made in the Budget because those issues were not contemplated at that time

Dr. P. N. Banerjea: Nothing about defence securities—only stamps?

The Honourable Sir Jeremy Raisman: Defence Savings Certificates also come under this head apparently.—Security Printing Press charges,—the Security Printing Press is a quasi commercial concern and its expenditure fluctuates with the demand for its productions. It is, therefore, not possible to make a close estimate of its requirements.

Pandit Nilakantha Das: May I ask if it is all due to the war?

The Honourable Sir Jeremy Raisman: I cannot say. The increased demand for embossed envelopes is not necessarily directly due to the war. But there it is, the demand has grown and we have to cater for it, as I said before, like any other commercial institution.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That a supplementary sum not exceeding Rs 5,12,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Stamps'."

The motion was adopted

DEMAND NO. 15—HOME DEPARTMENT

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 2,25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Home Department'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

'That a supplementary sum not exceeding Rs 2,25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Home Department'."

There are two amendments with respect to this Demand. Does the Honourable Member, Maulvi Muhammad Abdul Ghani, want to move his amendment?

More Issues of the Urdu Version of the "Indian Information"

Maulvi Muhammad Abdul Ghani (Tirhoot Division Muhammadan) Yes, Sir, I beg to move

"That the demand for a supplementary grant of a sum not exceeding Rs 2,25,000 in respect of 'Home Department' be reduced by Rs 100."

If you look at the details of this demand, as given in the Schedule, you will find, Sir, that it covers six items of expenditure. One item is due to purchase of additional photographs and newspapers and also additional postal and telegram charges for increased circulation of *Indian Information* in English, and issue of Urdu and Hindi versions. In this connection, I will simply ask that the *Indian Information* should be freely supplied to the Urdu papers also. I remember once having met the Officer in charge of the Information Bureau at Simla and I urged upon him the necessity of supplying such information to the Urdu paper *Ittehad* in Bihar. But I find that no attention has been paid to this. So far as the Urdu papers are concerned, I think there is a list of these papers in the Information Bureau, but the *Indian Information* is supplied to a very few of them.

As regards items (e) and (f) which cover the expenditure of the staff of the Supervisor of Indian Civil Service Probationers and Training of Probationers at Dehra Dun, I believe this is a new service and I hope a good

beginning has already been made. It will give us consolation if this training is given in India for all time to come. With these words, I move my amendment.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That the demand for a supplementary grant of a sum not exceeding Rs 2,25,000 in respect of 'Home Department' be reduced by Rs 100."

Bengali, Oriya and Assamese Versions of the "Indian Information".

Mr. Amarendra Nath Chattopadhyaya: Sir, I beg to move

"That the demand for a supplementary grant of a sum not exceeding Rs 2,25,000 in respect of 'Home Department' be reduced by Rs 25,000"

The *Indian Information* should be published in all languages. That is the object of my amendment. In my amendment I am asking that the *Indian Information* should also be published in Bengali, Oriya and the Assamese languages. At present it is published in English, Urdu and Hindi. I maintain that it should be published in other languages also. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) Further amendment moved

"That the demand for a supplementary grant of a sum not exceeding Rs 2,25,000 in respect of 'Home Department' be reduced by Rs 25,000"

Pandit Lakshmi Kanta Maitra: Sir, this demand seeks to cover a variety of subjects which cannot be understood from a perusal of the note that has been appended at the end of it. In the first place, I am struck by the heading "B 3—Other charges" and the amount under the head is Rs 1,10,800. Even under the heading 'Details of the foregoing' on page 7, we find that the same item is reproduced but no details are given. In the first place, it will appear from the foot note that one officer was re-employed on retirement. There is one item to this effect. With regard to this, we must have information from the Honourable the Finance Member as to why was a man, who had already retired from service, re-appointed? What were his special qualifications for which this special concession was extended to him? Secondly, there was an appointment of an additional officer on special duty. We would like to know what are the special duties which are entrusted to this gentleman? What are the qualifications for this post? Was this post advertised properly? Was it a selection post or was he recruited through the Public Service Commission or through any other agency so as to ensure that the special duties which he will have to discharge may be discharged by virtue of his efficiency or special qualifications? No indication has been given about that.

Then, I come to Item (d), about which my Honourable friend, Mr. Chattopadhyaya, has already spoken. If information is to be broadcast about the Indian political situation or the International situation, it is necessary that it should be conveyed in as many Indian national languages as possible, so that it might reach all classes of people. I think to exclude Bengali from this category is a crime on the part of the Government of India.

Dr. P. N. Banerjea: It is a height of folly

Pandit Lakshmi Kanta Maitra: I call it a crime on the part of the Government of India, because it is the eighth largest spoken language in the world. Now, it is useless to have news broadcast in languages which cannot be understood by millions of men. I have no desire to hamper the propaganda activities of the Government. I am only suggesting that if they want their propaganda to be effective, they should see to it that the languages which are widely spoken and understood are made the vehicles for the dissemination of the news and I want to draw the pointed attention of the Department to this aspect. In the cut motion which we have tabled we have mentioned Bengali, Assamese and Oriya as the three languages in which information is to be published. Bengali is understood throughout Assam and Orissa and Bihar though there are people, who presume that it is not understood in those provinces after their separation from Bengal. I submit that information should be furnished in these languages.

Again, under item (e), we find that a Supervisor has been appointed for the Indian Civil Service probationers. This is the first time we hear of the creation of a post like this. No indication of it was given to the public at any time before and we are faced with this item in a Supplementary Demand. What are the functions of this Supervisor? What is he to supervise? These are Indian Civil Servants. They have passed certain examinations. They are presumed to have had good training. Is this officer to play the role of a guardian to these young men? At least we do not understand from the demand itself what is the exact function which this gentleman is to perform in relation to the future Indian Civil Servants. What are the qualifications of this gentleman and how has this post been filled up? I detest if he is appointed on a communal basis. It should be on merit and merit only.

An Honourable Member: Do you want a Bengali?

Pandit Lakshmi Kanta Maitra: No. I am not anxious for it. I do not care so long as the best man is selected. The post is apparently a very important one. Is he going to play the role of the monitor to the future administrators of this country, because the I.C.S. people are the *de facto* rulers of this country? We want to be assured that the best man has been appointed on consideration of merit and efficiency only, and I would also like to know whether this gentleman is an Indian or a non-Indian.

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official): How do you know he is a gentleman?

Pandit Lakshmi Kanta Maitra: One has to presume that I think it is desirable that the Honourable the Finance Member, when he comes forward with a demand of this nature, instead of simply moving it, should make a speech and give us full details. He knows very well that on past occasions we never refused these supplementary demands but it is very difficult for Members of the Legislature with some sense of responsibility about them to vote demands, without knowing what these demands are meant for.

Mr. President (The Honourable Sir Abdur Rahim): Are not these demands placed before the Standing Finance Committee?

Pandit Lakshmi Kanta Maitra: No, Sir. As the Honourable the Finance Member has said just now, this demand was not so placed. The difficulty with us, therefore, is that we are absolutely in the dark about the manner in which the money is sought to be spent. In these days when there are so many things in the air, the Honourable the Finance Member will excuse us if we are a little inquisitive. Then, Sir, what is this item of "additional photographs and newspapers"? I do not know if they are purchasing newspapers. Government have got their communiques and their subsidised press agencies. I do not know if the Government have started journals of their own and control the editorial board.

An Honourable Member: Purchase of newspapers.

Pandit Lakshmi Kanta Maitra: This expression "purchase of newspapers" is not sufficiently explanatory. I do not know if this is meant to cover Honourable Members purchasing newspapers, to have information. Look at the amount that is sought to be taken under this head. These points must be made clear. Then photographs. Photographs of what or of whom?—of the Members of this House or of the Members of the Executive Council? If you give a sort of lacome note and say 'purchase of' photographs and newspapers' it is very difficult for us to vote for it. I would request the Honourable Member to explain these points particularly in view of the criticism of the activities of "the Bureau" on account of the war. Up till now, since the outbreak of war, we have not been told by the Government what kind of expansion had taken place in this particular field. We are left to the region of conjecture and speculation. Only two weeks ago, we had a debate in this House on propaganda and publicity on a cut motion by my Honourable friend, Mr. Griffiths. Beyond that discussion, the Government never took upon themselves to explain what they had been doing in the direction of propaganda and publicity, though in this demand we find that they want this vast amount for expansion of the activities of the Bureau on account of the war. So, I expect the Honourable Member to clear up all these points before we can vote for it.

Pandit Nilakantha Das: My Honourable friend, Pandit Maitra, in the course of his speech, said that the people of Orissa understand Bengali. I do not know if the Honourable Members of this House know that Orissa is the Cinderella of the Indian Government, and, if I may say so, of many Indian politicians. One prominent Member of this House once asked me, while I was speaking on some problem concerning Orissa, "Where is Orissa? Is it near Assam?" It is a fact that formerly about half of the Province of Orissa was a part of Bengal.

Mr. President (The Honourable Sir Abdur Rahim): The Honourable Member need not discuss all that.

Pandit Nilakantha Das: Many Oriyas happen to know Bengali, and, therefore, Bengali language will do for Orissa. That is a great mistake. Orissa includes a large slice of territory which was till recently in Madras Presidency. A portion was in the Central Provinces and more than half was for the last 25 years in Bihar. So the people of the present Province of Orissa do not understand Bengali nor Hindi nor Tamil nor Telugu. Orissa has a population of a crore, perhaps it would be very much more according to the new census.

Mr. M. S. Aney (Berar Non-Muhammadan) Give the figures of the old Census.

Pandit Nilakantha Das: and it is absolutely necessary for a crore of people who know neither Hindi, nor Bengali, nor Telugu, nor Tamil.

Sir Cowasji Jehangir: But you say your people speak Bengali?

Pandit Nilakantha Das: Yes, when the main portion of Orissa was under Bengal some 28 years ago, some of the people knew Bengali but now for a generation it has been separated from Bengal. Yet the impression perhaps still remains amongst many of my Bengali friends that our people in general still know and speak Bengali, but that is not a fact. So it is necessary that the Information Bureau should take note of the fact that all information should be given in Oriya language also.

I understand some newspapers are subsidised. That is what "newspapers" mean here in the explanation to the demand, the Government purchase a number of newspapers—perhaps supply the information to them from their Bureau, purchase them and distribute them. Perhaps that is the arrangement and that is what is meant by the expression "newspapers" here. I do not know whether there is a grant from the Central Government to the Provincial Governments for that purpose. But I know, the Provincial Government of Orissa do the same thing, they supply the information to some newspapers, purchase them in thousands and perhaps distribute them free. I should like to bring to the notice of the Government that this kind of giving information is not at all effective, especially in war time. I should like the Government Members to learn what I have to say.

Sir Cowasji Jehangir: Sir, my Honourable friend ceases speaking as soon as some of my Honourable friends begin to chat, I think my Honourable friend had better go on.

Mr President (The Honourable Sir Abdur Rahim) There are plenty of Honourable Members here to listen to what he has to say. He had better go on.

Pandit Nilakantha Das: If the Honourable the Home Member wants really that information from the Government Bureau should be distributed, so that people may have some confidence in the information, to some extent at least they should take to other means, they should think of other papers, these subsidised papers are no good. They are not at all liked or believed by our people and to depend

upon them is a mistake and I should like to say that Government, even in their Information Bureau, should take note of the popular feeling if they at all want to popularise the news which they distribute through their Information Bureau.

An Honourable Member: Pro-Government propaganda

Pandit Nilakantha Das: Yes, that propaganda is necessary at this critical time, but it should not be made in the old bureaucratic method.

* **Mr. Muhammad Azhar Ali** (Lucknow and Fyzabad Divisions Muhammadan Rural) Sir, the only item to which I should like to draw the attention of the Honourable House is that mentioned on page 7—(a) in the notes

"(a) Due to (i) the pay of an officer re-employed on retirement becoming voted, and (ii) appointment of an additional Officer on Special Duty"

Sir, one does not understand why there should be a paucity in India of young men to be recruited rather than, in this time of stress, take on retired officials again and again. Sir, the Indian youth is impatient, not only for service and to fill his stomach and belly and satisfy his family's requirements, but also to serve the Government whenever there is any opportunity for him to do so. Sir, under the stress of unemployment, it is not only here, but we find on different occasions in this very House that supplementary grants and other demands are put before the House, only saying this much, "to provide for retired officers". Sir, there ought to be some good reason for taking on old, retired people into service back

An Honourable Member: Old is gold

Mr. Muhammad Azhar Ali: Yes, but gold has to be tested, when one becomes old, he does not remain true gold. So long as the man is fit, it is all right, you can have any amount of work from him, but when the time comes for retirement, this policy of the Government of India ought to be given up now. Therefore, Sir, I submit that even the name of the officer is not mentioned, nothing is said as to why he has been re-employed, or what are the causes of his reemployment, and still we are asked to vote a sum of Rs 17,800. That shows that at least the pay of the officer may be about one thousand rupees a month or something like that. Therefore, Sir, for such sort of expenditure India should not be taxed additionally at the present moment. Then, Sir, there is another point in "(a) (ii) appointment of an additional Officer on Special Duty". Sir, if there is some special duty in connection with the war, that may be justified, but why should there be any special duty appointments in this Home Department? Is it simply to provide for some antiquated or secret service, or what? It does not say anything, but only this,—"an additional officer". But why should there be an additional officer? Are the officers holding appointments in the Government of India not enough? What is the reason for this special duty? Therefore, Sir, I oppose this demand.

Dr. P. N. Banerjee: Sir, I wish to say a word on the question of principle. The details have been discussed and I do not wish to say

[Dr P N Banerjea]

anything about them Sir, here we find that a number of new posts has been created or is going to be created and there is a large expenditure for the expansion of activities in certain Departments Now is it not right that these matters should be placed before the Finance Committee? If not, what is the use of having the Standing Finance Committee? Sir, I hope, in view of this fact, unless we receive a satisfactory reply from the Honourable the Finance Member, we are prepared to reject this demand.

Mr. Lalchand Navalrai: On this demand I find that the information given is very scanty Referring to clause (c) of the Notes at page 7, I find that the money was required "due to expansion of the activities of the Bureau on account of the war" We have not been told what expansion has been made I would like also to know how this Bureau is constituted, we have never been told before about that I wish to know how it has been expanded, also how in the expansion the officers and the staff were recruited This is the information I ask for under that head. Then coming to paragraphs (e) and (f) I think that the training institution at Dehra Dun is a new one altogether Therefore, we require full information with regard to this institution I take it that the I.C.S. probationers were formerly getting training in England and now they are being given instruction in Dehra Dun training institution If it be so, then I shall be glad to see that that institution has been started in India. We have always been saying that expenses in England, overseas allowance and others, are very heavy, and I should be glad if this institution will be for all time I should like to know from the Finance Member or the Home Member, if this institution has been created only temporarily for a year or it is going to be a permanent one When examinations are being held in India for the I.C.S., it is in the fitness of things and also very convenient to give every probationer training in India

Dr. P. N. Banerjea: What about British recruits? Should they be trained in India?

Mr. Lalchand Navalrai: I should like to know that too Is this training institution exclusively for Indians or also for British recruits? I should like to know from the Honourable Member what will be the allowance given to these probationers Will it be the same allowance that they were getting in England when they got their education there, or how much it is As regards F 2, Pav of Establishments, Rs 1,000—I do not know whether the charges of the Supervisor come under it or not, and how much is for the staff and how much for the Supervisor In F 3—Other Charges, the item is for Rs 9,000 We do not know what this Rs 9,000 is for Anyway, when new things or new institutions are created, or expenses of a new kind, we ought to be given full information and I expect the Honourable Member to make a full statement on this point

The Honourable Sir Reginald Maxwell (Home Member): Sir, I have been asked to explain a very large number of points, and if I were to enter fully into a discussion on every subject that has been mentioned in this debate, Honourable Members would have to book their seats for this afternoon However, there is one general point which has been raised by Pandit Maitra, and that is, that it is difficult to understand the manner in which

these Supplementary Grants are presented I am not responsible for the way in which the information is printed in this book, but I think I can assure Honourable Members that every service for which Supplementary Demands are made is a service which has been sanctioned in the ordinary course, under due financial scrutiny and under the usual financial procedure. This is not a way of stealing through services which have not been scrutinised in the ordinary manner. These Supplementary Demands are very largely for purely formal purposes and because the grant for some approved service has not been fully provided for. That is the reason, or it may be that some new services are included in the Supplementary Grants, but if they have been, then they have been subjected to all the scrutiny which a new service ordinarily receives.

Pandit Lakshmi Kanta Maitra: We are entitled to have information on that. The mere scrutiny of an Executive Councillor does not meet with the needs of law. We are entitled to know what kind of scrutiny it has been subjected to.

The Honourable Sir Reginald Maxwell: My Honourable Colleague, the Finance Member, will deal with that particular point. I will deal as far as I can with the various questions which have been raised in the debate.

Pandit Maitra asked for information about the item "Other Charges", Rs 1,10,800 under B 3, that is, under the Bureau of Information. This item consists of a number of smaller items, such as, travelling allowance which is due for the tours of publicity officers in connection with the general programme of publicity, hill journey allowances for some portions of the establishment taken to Simla, house rent and other allowances,—a very small item,—and the largest item is contingencies. That item of contingencies contains a very large number of different items, such as, purchase of photographs for publicity purposes and for supply to newspapers. That was one of the questions asked.

Pandit Lakshmi Kanta Maitra: What are these photographs? Whose photographs?

The Honourable Sir Reginald Maxwell: News photographs for the purpose of publicity. If the Honourable Member will look at *Indian Information*, he will find a certain number of these photographs reproduced in that publication.

Pandit Lakshmi Kanta Maitra: Are these photographs intended to be supplied to newspapers?

The Honourable Sir Reginald Maxwell: That is what they are for.

Pandit Lakshmi Kanta Maitra: Do not the journals pay for the photographs which the Honourable Member supplies to them?

The Honourable Sir Reginald Maxwell: Journalists are not so generous that they pay us for publishing the photographs, it is the other way round.

Pandit Lakshmi Kanta Maitra: May I know how many publicity officers there are?

The Honourable Sir Reginald Maxwell: I was explaining what sort of items come under this head, contingencies. Contingencies absorb Rs 97,900 out of the total of this demand for Other Charges. Purchase of photographs for publicity purposes is one. There is a certain amount of supply of clothing to inferior servants. Then comes cost of additional newspapers supplied to External Affairs Department for publicity work, and the cost of newspapers purchased in India for sending abroad. Then again increased rates of subscription to Indian newspapers due to war.

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions Non-Muhammadan Rural) What are these newspapers? Can we have a list of their names?

The Honourable Sir Reginald Maxwell: I could not give off-hand a list of their names to the Honourable Member. A very large number of newspapers are examined in the Bureau. As I was saying the amount refers to purchase of newspapers, for instance, in Tamil, Gujarati and Bengali—the Honourable Member will notice—required in connection with war publicity work. Then again increase in postage and telegram charges for the issue of Urdu and Hindi versions of *Indian Information*. The Honourable Member must remember in talking about *Indian Information* that the more copies we distribute the higher are our postal and telegraph charges. They do not go for nothing. The other items are small things, purchases of a radio and so on. But I should say one of the chief items there is the purchase of Indian newspapers in this country and the other is postal and telegraph charges for the distribution of *Indian Information*. Honourable Members will see that although this item is apparently rather large, the item under "Other Charges" is made up of a number of things which are essentially incidental to the expansion of the Bureau as it has taken place in war conditions.

I was asked what the expansion of the Bureau consists of, and in fact the Honourable Member, Mr Lalchand Navalrai, expressed complete ignorance of the constitution of the Bureau and he said that the House has never been informed. Well, Sir, this Demand is not presented for the whole cost of the Bureau, and I did not anticipate that I should be asked to deal with the matter from A to Z. All the Government are asking is a Supplementary Demand and I have come prepared to give Honourable Members such information as I have about the Supplementary Demand. But if the Honourable Member is interested in the Information Bureau and if he really wants to know what it is doing, I am perfectly certain that the Principal Information Officer would be only too glad to take him round and show him exactly what is being done. That is one of the things which has been repeatedly announced by the Principal Information Officer, that he is at all times at the disposal of Honourable Members to let them know what work is being done. I personally should be glad if any Honourable Member who takes such gratifying interest in this subject would go there. I will not attempt to deal with the whole of the Information Bureau, but I can answer questions as to what the expansion has been in staff. There have been four Information Officers, five Assistant Information Officers, one Journalist in English language, six journalists in Indian languages, eight Assistant Journalists—English and Indian languages—and a certain number of clerical staff—not a very large number—including some stenographers.

among them and clerks engaged in the distribution of the matter. As Honourable Members will realise the quantity of matter which is being distributed from the Information Bureau to all Indian newspapers and, of course, the production of *Indian Information* itself do involve a very large amount of distribution work which has got to be performed punctually if it is to serve the purpose of the newspapers which it is intended that this organisation should serve. I hope that will be sufficient indication of the nature of the expansion itself.

Now, I come to I C S Probationers. My Honourable friend, Mr Lalchand Navalrai, was interested in this and I am glad to find that he was because it is an experiment which has been forced upon us by war conditions and which looks extremely promising. Formerly, as Honourable Members know all the probationers, whether European or Indian, were trained in England, out of touch with Indian conditions and this year, as circumstances at home were not favourable for that sort of training, a camp has been established at Dehra Dun where the whole of the last year's batch of probationers are being trained together, both Indians and Europeans. There are 29 probationers. Of these eleven are Indians recruited by competition and nomination in India, and six Indians and twelve Europeans who were recruited by selection in England. That is to say, the whole of that batch whether Indian or European are being trained together under identical conditions at Dehra Dun. I have myself visited Dehra Dun and seen them under instruction and I can assure Honourable Members that the camp is very well and economically run and that the opportunities which the probationers of the same year are obtaining for getting to know one another and studying together are to my mind most valuable. And although it has not yet been decided—it was started as a war measure—it has not yet definitely been decided what should be done in future years, I think, however, that the results of this trial are so promising that it is very likely that this may become a permanent institution. I was asked who the Supervisor of the Camp was. The camp is in charge of Mr Pinnell, I C S, a Bengal civilian who was formerly Secretary to the Governor of Bengal previously to this appointment.

Lieut.-Colonel Sir Henry Gidney: Do I understand the Honourable Member to say that amongst the boys trained at Dehra Dun are four English lads from England?

The Honourable Sir Reginald Maxwell: Twelve were brought out from England to be trained in India.

Lieut.-Colonel Sir Henry Gidney: It is most marvellous.

The Honourable Sir Reginald Maxwell: But the lads have expressed no surprise about it themselves.

I was asked for details about an officer re-employed on retirement and the appointment of an Additional Officer on special duty, that is item (a) in the note. The officer re-employed after retirement is the late Lieut-Colonel Walker who was appointed Officer on Special Duty in the Home Department for air raid precaution work. He was an expert in air raid precaution work.

Pandit Lakshmi Xanta Maitra: Was he not a Civil Surgeon in Bengal?

The Honourable Sir Reginald Maxwell: He was a military officer. He was an expert in air raid precaution work and was intended to be placed on special duty to assist the provinces in organising their air raid precautions. His pay was at first non-voted. He was in service as a military officer and as such provision was made for him on the non-voted side of the Home Department grant. Subsequently, on his retirement, his pay became voted, and it, therefore, became necessary to apply for a Supplementary Grant on the voted side. That really illustrates the point that I was making just now, that these grants are not in every case a new service but they are to meet formal requirements.

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'An Honourable Member: What is the salary?"

The Honourable Sir Reginald Maxwell: I cannot tell the Honourable Member his monthly salary but the actual amount provided for his pay from the period 4th July, 1940, to the 6th January, 1941, was Rs 7,485.

'Dr. P. N. Banerjea: Is this in addition to his pension?"

The Honourable Sir Reginald Maxwell: Presumably all Honourable Members will be aware that this officer was killed on duty in an aeroplane accident on the 6th January. He was going on tour from Delhi in order to inspect air raid precautions in other provinces and the aeroplane crashed here and he was killed. Then the officer on special duty referred to in item (a) (ii) is Major Craster who is on the retired list and was appointed as Officer on special duty with the Home Department before taking up his appointment as Superintendent of the Deoli Detention Camp. As there was no provision for him in the original grant of the Home Department, a Supplementary Grant became necessary.

Now I think I have dealt with the minor points and I turn to the question of *Indian Information* in regard to which there have been two different cut motions. One is the motion of Maulvi Muhammad Abdul Ghani who wishes the grant to be reduced by Rs 100 in order to urge more issues of the Urdu version. It is entirely gratifying to me and to the Principal Information Officer that there should be so much appreciation of the value of this Urdu edition. The Urdu and Hindi editions are, as Honourable Members probably know, specialised editions of the English version of *Indian Information*, that is, they are not mere mechanical translations of what appears in the English edition but they contain matter which is likely to be of special interest to Urdu and Hindi readers. I have here in my hand an actual specimen of the Urdu issue. This magazine is to be issued twice a month in each of the three languages, i.e., English, Urdu and Hindi and its copies are distributed free of charge. This Urdu edition is already sent to all libraries and reading rooms in the Punjab, the United Provinces and North-West Frontier Province and most of the libraries in Bengal, Bihar and the Central Provinces. It is also sent to all universities in India, to all high schools in the Punjab, the North-West Frontier Province and Baluchistan and most of the high schools in the United Provinces, Bengal and Bihar where Urdu is taught. It is also sent to all known Urdu newspapers and periodicals in British India; it is again sent to Indian troops and to Indian States, and finally it is sent to any one who asks for it.

Mr. M. S. Aney (Berar Non-Muhammadan). In addition to the Urdu edition may I ask that the Hindi edition also should be sent to the libraries in the Central Provinces and other places because most people who come to the libraries understand Hindi much better and not Urdu. I do not object to the Urdu edition being sent but let the Hindi edition be also sent because it will be read by a larger number of people.

The Honourable Sir Reginald Maxwell: I appreciate the Honourable Member's suggestion and we will certainly verify whether the Hindi edition is being given the circulation for which there is a demand. But, in general, in regard to the Urdu edition my point is that we do not supply copies to individuals unless they have asked for it. We supply to all these other institutions but no one who has asked for a copy has ever been refused. All the numbers which are printed and distributed are in accordance with the actual demands and it would not be economical to print them in larger numbers and send copies to people who may not want them. That is as regards Maulvi Abdul Ghani's motion.

Maulvi Syed Murtuza Sahib Bahadur (South Madras Muhammadan) Sir, on a point of information, the Honourable Member has not mentioned anything about Madras. There are some high schools run by Government as well as private institutions where Urdu forms the medium of instruction. I do not find any mention of such schools where it is sent.

The Honourable Sir Reginald Maxwell: Of course if any such school wanted it, it has only to ask for it and it will be sent, but I will again bring that suggestion to the notice of the Principal Information Officer.

The Assembly then adjourned for Lunch till a Quarter Past Two of the Clock.

The Assembly re-assembled after Lunch at a Quarter Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair.

The Honourable Sir Reginald Maxwell: Sir, I have only one point left, to deal with, of the subjects touched on this morning, and that is Mr. Chattopadhyaya's cut motion urging that there should be Bengali, Oriya and Assamese versions of *Indian Information*. I should like to point out to the House that this production, *Indian Information*, is not intended to compete with the local press in general circulation among the public of each province. It is supplied to persons or institutions whose general role is to keep the public informed such as newspapers, chambers of commerce, libraries, universities and institutions of that kind. But it is not intended to be regarded as an ordinary newspaper. Now, for the purpose for which it is conceived, it has been produced in the three languages which are most widely known and understood throughout India. Those are English, Urdu and Hindi.

Dr. P. N. Banerjea: No Hindi is not understood in Bengal.

Another Honourable Member: Nor English, Sir

The Honourable Sir Reginald Maxwell: I did not say that these languages were universally understood, but I said that those were the languages which were most widely understood and I understand that of the major communities, one claims Hindi as its most universal language and the other claims Urdu. That is the reason why the production *Indian Information* has so far been published in those three selected languages. The remaining Indian languages are not in any sense all-India languages, not even in the sense in which Hindi is an all-India language. They are languages limited to definite provincial areas. That is the difference. Now, there are in India 12 major languages, not to mention 200 sub-variants. If the policy were to produce *Indian Information* in, say, the Bengali language, we should be led on at once with demands for its production in, say, Gujarati, Tamil, Marathi, Telugu and Kanarese and other languages.

An Honourable Member: Eight crores of people talk the Bengali language!

The Honourable Sir Reginald Maxwell: Large numbers of people talk Kanarese. That is the difficulty. The only other point that I want to explain to the House is this that to start production in any new language of *Indian Information* involves a minimum starting cost of Rs 30,000 a year, so that if only the languages mentioned in this cut motion were taken up, that is, Bengali, Oriya and Assamese, we should be let in-at once for an additional expenditure of Rs 90,000 a year, not to mention, as I explained, the further demands for production in other local languages which would inevitably come into existence, and of course, when I say the initial cost is Rs 30,000, that is only at the time of the first production. But as the demand increases for *Indian Information* in any language, then of course the cost goes up. That is the real reason for which I am afraid I must oppose this motion in principle, although actually I have considerable sympathy with it and I wish we could give an undertaking of this kind. But I am afraid we could not do so when it involved such a very large commitment of public funds. However, I think that the Information Bureau will regard it as an encouragement that this demand should have arisen, and of course in the future we always have to consider demands of that kind against the value of the results to be obtained from any particular expenditure.

I think I have now dealt with all the major points raised in the debate so far as I was able to follow.

Lieut.-Colonel Sir Henry Gidney: Sir, I rise to a personal explanation. Earlier in the debate when the Honourable the Home Member was discussing the training at Dehra Dun, I interjected and asked the question "What is the composition of these trainees?" My question was misplaced and misconceived. It was a *faux pas* on my part, because I thought he was referring to the training in photography of which he spoke about earlier in his speech and was located at Dehra Dun, and not to the I C S training centre. I wish to explain it lest my question should be misunderstood.

The Honourable Sir Jeremy Raisman: Sir, I wish merely to deal with some remarks which fell from Dr Banerjea regarding what he called

various new posts which have not been referred to the Standing Finance Committee. As I explained earlier in the day, the criterion of whether a matter should go to the Standing Finance Committee depends upon whether it is a new service or not. If it is a new service a genuinely new matter which is being undertaken, then it goes to the Standing Finance Committee, but if there is an expansion of an existing service, then that does not necessarily go to the Standing Finance Committee, because the Committee would be overwhelmed with masses of cases. It is only where the expenditure involved is considerable that it is considered necessary to place it before the Standing Finance Committee, and for that purpose the criterion we have adopted is Rs 1 lakh non-recurring and Rs 25,000 recurring.

Sir Cowasji Jehangir: Sir, I find there is a certain amount of misunderstanding when reading these notes on Supplementary Demands. So far as I know anything about Supplementary Demands, you have got to make a distinction as the Honourable the Finance Member mentioned just now, between old items and new items. If there is an increase of expenditure on an old item, a very short note suffices for your purpose, but if you have got a new item, it is definitely necessary that you should show that it is a new item, that it has not been in the budget before, that it was not possible to put it in the budget—specially under conditions under which we work today—and, therefore, you bring it as a Supplementary Demand, and for such items a full explanatory note is necessary or a more complete explanation from the Member in charge while introducing the Supplementary Demand. Here you have both these cases in this Supplementary Demand. All of them, except (e) and (f), fall within the first head, namely, extra expenditure incurred for items for which provision has already been made, while the last two are new items.

As a matter of fact, if we had not read about them in the newspapers, we would not have known anything about this new training centre for the I C S probationers. It appeared in the newspapers, the name of the officer in charge was published in the papers and so we came to know all about it. Surely this House has a right to know, when you put up a demand of this sort, a little more from the explanatory note itself so as not to make it necessary for the Honourable the Home Member to give a long explanation for the first time in this House about the institution of these camps. As a matter of fact, it ought to be marked separately as a new item. In other Governments I know it is done, and I think the Honourable the Home Member will perhaps remember that in past days when he had to deal with budgets he had to put up old items and new items in separate lists. He will recollect that most probably the House always caught hold of new items, and nobody looked at the old items, as new items were shown in separate lists. In times like these specially we are bound to have new items, and you cannot help it. Under these circumstances, a new item list for Supplementary Demands would be a facility to both sides of the House.

The Honourable Sir Jeremy Raisman: Sir, I explained that when new items are placed before the Standing Finance Committee, they are indicated in these notes, but there is always room for difference of opinion. Now, in regard to the training of I C S probationers, this is an obligation of Government which has always existed and which has always cost

[Sir Jeremy Raisman]

a good deal of money. The only change that has happened is that owing to the war, instead of our being liable for the training in England, we have now made alternative arrangements in India. Well, I do not know whether that can be called really a new service on account of this change in locale from England to India. We have had to pay for officers who have been performing functions of training probationers in the United Kingdom before, and now for the first time arrangements have to be made here. It so happens that the individual appointed is an I C S officer, but it could not have been inconceivable that officers who have previously been employed for training in England might have been transferred to India. That, I consider is an accident, but the essential point is,—have the Government undertaken for the first time expenditure for an object which had never existed before, and I claim, Sir, in this case the answer is in the negative.

Mr. M. S. Aney: Sir, the question which has been raised by the Honourable the Finance Member is of more than usual importance. Nowhere, unfortunately, the distinction between new service and extra expenditure in the name of extension of an old service has been made clear before and if we allow the explanation which the Finance Member has given to go unchallenged, it will give unnecessary latitude to him to avoid placing matters before the Standing Finance Committee for its consideration. Taking, for example, the particular point to which reference has been made by my friend, Sir Cowasji Jehangir, and also by the Finance Member, I think nowhere up to this time in any of the Budgets that we have been presented with during the last 12 years did we find at any time a provision like the one mentioned here,—I mean the training of I C S probationers. That kind of expenditure was never shown in the Budget in the past. Whether this has been done now as an accident owing to what has happened in England or not is a different thing. It might have gone under a different heading altogether, but in the form in which it comes here specifically for the consideration of this House it is entirely a new item, and from that point of view, I must say it is a new service created, for which the sanction of this House is being asked in the form of this demand. It may be that our expenditure in England on this item might have been defrayed by us, but in the demands placed before this House, a specific item to that effect has not at all been shown. Assuming it was shown there,—it is one thing to incur expenditure in England, Scotland or Canada, but it is another thing when a similar expenditure has to be incurred in India. It is certainly a new expenditure for which the Indian taxpayer has to make provision. I think the House will agree that this ought to be considered as a new service, and the procedure which my Honourable friend follows generally in regard to new services ought to have been followed in this case also. In regard to new services, the matter is always referred in the first instance to the Standing Finance Committee and then it is brought back to the House, and in this case also the same procedure should have been followed.

Secondly, Sir, the test which the Finance Member has given is this,—if in the case of old services also the expenditure incurred comes to say a lakh of rupees . . .

The Honourable Sir Jeremy Raisman: Non-recurring

Mr. M. S. Aney: If in the case of old services the non-recurring expenditure comes to say a lakh of rupees, the matter is referred to the Standing Finance Committee. On that point, I can only say that it is possible even on existing services some more expenditure might have to be incurred by Government and it may not be possible to bring every item before the Standing Finance Committee, and I suggest that the limit of one lakh should be reduced to Rs 50,000, because that will give the Committee a better idea of the reasons why the Budget is exceeded every time. In that case it would not be improper to bring the non-recurring expenditure which goes up to Rs 50,000 before the Standing Finance Committee before it is brought here in the form of supplementary demands.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That the demand for a supplementary grant of a sum not exceeding Rs 2,25,000 in respect of 'Home Department' be reduced by Rs 100"

The motion was negatived

Mr. Deputy President (Mr Akhil Chandra Datta) Then, the question is

"That the demand for a supplementary grant of a sum not exceeding Rs 2,25,000 in respect of 'Home Department' be reduced by Rs 25,000"

The motion was negatived

Mr. Deputy President (Mr Akhil Chandra Datta) Now, the Chair will put the original demand. The question is

"That a supplementary sum not exceeding Rs 2,25,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March 1941, in respect of the 'Home Department'."

The motion was adopted

DEMAND NO. 19—COMMERCE DEPARTMENT

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 72,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Commerce Department'."

Mr. Deputy President (Mr Akhil Chandra Datta) Motion moved

"That a supplementary sum not exceeding Rs 72,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Commerce Department'."

Creation of new Posts of Import and Export Trade Controllers and their Offices

Maulvi Muhammad Abdul Ghani: Sir, I beg to move

"That the demand for a supplementary grant of a sum not exceeding Rs 72,000 in respect of 'Commerce Department' be reduced by Rs 100"

This appears to me to be new service

Mr. Deputy President (Mr Akhil Chandra Datta) Will the Honourable Member speak a little louder?

Maulvi Muhammad Abdul Ghani: If we look at page 9 of the schedule of Supplementary Grants, the footnote says "Due to the creation of the posts of Import and Export Trade Controllers and their offices after the budget was framed" I do not know whether the creation of these posts was thought of before the original budget for 1941-42 was in the process of preparation or after that. If the need for these posts was felt before the preparation of the original budget, I think it would have been better if the amount was included in the original budget, and it would have facilitated our consideration, because the original budget has already been passed and this supplementary budget is now going to be passed. It may be said that that budget would only include for next year. But these posts are new ones and, therefore, it would have been better if they had been included in the new budget. There is no necessity shown for the creation of these posts and the offices connected with them. Before the creation of these posts and their offices some arrangement might have been made for controlling the import and export trade. I hope the Honourable Member concerned will throw light on this aspect of the matter. As regards the offices of the Import and Export Trade Controllers, I cannot say whether the appointments have already been made or they have still to be made. If they have finished the appointment of the members of the offices, then it would not serve my purpose if I draw attention to representation of Muslims according to the Home Department Resolution of 1934. If the appointments have been made, I shall be thankful to the Honourable Member concerned if he can satisfy us that they have considered the claims of communal representation in the case of the new posts created and their offices. With these words I move my amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta): Amendment moved

"That the demand for a supplementary grant of a sum not exceeding Rs 72,000 in respect of 'Commerce Department' be reduced by Rs 100."

Pandit Nilakantha Das: This is also a new service pure and simple, and this has not been placed before the Standing Finance Committee. The House ought to know when these posts were created and their offices, and how much has actually been spent during the year and what is the expenditure anticipated, whether it is recurring or temporary, or non-recurring, how much of it is recurring, how much non-recurring. This information is generally given in the Standing Finance Committee, and without knowing the implications we are faced with a supplementary demand. We, in fact, do not know whether all this money, Rs 72,000, will have to be spent before the 31st March. If it is not so, then it must have been included in the budget of 1941-42. Only the money required for 1940-41 should have been placed here as a supplementary demand.

The Honourable Sir Jeremy Raisman: So it is

Pandit Nilakantha Das: Then, again, this being a new service, we have got many things to know about these Trade Controllers. Trade and commerce, though managed by a Government Department,—we have a right to know whether non-official commercial people, people connected with trade are associated at all in this control, and, if so, in what manner. This is a thing which vitally affects the economic position, the fiscal position of the country, and at a time like this there should be complete co-operation between non-officials and officials in matters of trade and commerce.

When this control post is to be created the House ought to inquire and know in what manner the Government are going to control this export and import trade and for what purpose and to what extent the control will be effective for the promotion or for the safeguarding of our economic and fiscal interests. At this stage at least, we want to know this information before we can give our vote for this demand.

Pandit Lakshmi Kanta Maitra: Sir, this demand, as has been pointed out, relates to the appointment of two important officers, namely, the Import Trade Controller and the Export Trade Controller. We have not yet been told the functions of these offices or of the officers who fill these posts and I am not also sure if there is one or more Trade Controllers. It is in the singular number. I want to know whether this control extends to the whole of India or is confined only to the ports. In the course of my speech on the Finance Bill, last year, I pointed out that there was a good deal of set back in India's export trade owing to the loss of markets outside due to international complications. I also pointed out that, as a result of that, there was stagnation of stocks in the country entailing lowering of prices. It was my firm conviction then, and it was supported by the data from the commercial organisations in this country, that some step ought to be taken by the Government to stimulate India's export trade. In other words, I suggested that the initiative should be taken by the Government of India to see that markets that have been lost to India as a result of the outbreak of the war should, as far as possible, be found elsewhere by negotiations with other countries with which India was not technically at war. The Honourable the Finance Member did not agree with me at all that there was shrinkage of exports at that time and he seemed to think that everything was going on well and that it was my unfounded apprehension. Curiously enough, after the lapse of one month I read in the papers that an Export Advisory Council was set up with the ostensible object of stimulating exports from India and I believe that Government had two or three meetings of the Export Advisory Council. The House is probably aware that there is a Controller of Shipping in these times and also those who want to export commodities to countries outside India have to obtain a certificate from the Government of India assuring the Government that it was not going to enemy countries. But the fact remained that only five per cent of the total tonnage of shipping was available for these exports. Sir, when the Government seriously thought of capturing India's lost markets elsewhere, the House is aware that two estimable gentlemen, Messrs. Gregory and Meek, had been sent to America to see if they could be persuaded to take some of India's produce and later on we had a report which was lauded to the skies by my Honourable friend, the Commerce Member, if for nothing else but for the draft and some figures which are contained. Nothing tangible has come out so far.

Today we find in the demand that two posts have been created, one for controlling Indian import trade and one for controlling Indian export trade. When did the Government first come to a decision that an officer like the Import Controller or the Export Controller should be appointed? Am I to understand that the Export Advisory Council has been liquidated and its place has been taken by this official agency? We are not in a position just now to know the exact duties assigned to the Import Trade Controller. It may quite well be that this Import Trade Controller is to see that goods from enemy countries may

[Pandit Lakshmi Kanta Maitra.]

not come to this country but I want to know if the Customs Department of the Government of India is not able to take care of this business. What is the special justification for putting up or starting an organisation like the Import Controller's Office and what is also the justification for setting up an organisation like the export control. We have not heard anything from the Honourable the Commerce Member or from any other responsible Member on the Treasury Benches as to what purpose is going to be served, what benefit is going to be derived as a result of the creation of these offices. Sir, in this connection I would like to know what are the qualifications laid down for the appointment of these Import Trade and Export Trade Controllers. Was the commercial opinion and the opinion of the commercial organisations in this country obtained when Government decided to create these new posts? Has there been any machinery set up by the Government by which these two offices may maintain active touch with the indigenous commercial opinion? If not, it is very difficult for me to understand what useful purpose is going to be served by the creation of these two offices.

Sir, I think the Honourable the Commerce Member knows very well that Indian mercantile opinion has always been in favour of having a machinery by which the disastrous effect of this complicated international situation may be minimised so as not to affect dangerously the trade position of India. These posts, when they came to be created after the Budget, must necessarily mean that they have been all of very recent origin. We were not given any idea before of their necessity or their utility. I, therefore, think that the Honourable the Commerce Member should at least explain to us what is sought to be gained by the creation of these offices. Moreover, he has to explain where these offices are located, and what are the specific duties allotted to these offices and officers, and whether they want to continue this as an *interim* measure during the period of the war, or it is going to remain a permanent institution in the scheme of the Commerce Member's programme. Sir unless I get a satisfactory explanation, I cannot support this demand.

Dr. P. N. Banerjea: Sir, I wish to say a word about the attitude of some of the Honourable Members occupying the Official Benches in regard to the questions which are being raised here on the Supplementary Demands. There is, it seems to me, a great deal of intolerance of criticism on their part. Only a short while ago the Honourable the Finance Member used the words "unresponsible critics". I do not know exactly whom he referred to by this expression. If he referred to Honourable Members of this House

The Honourable Sir Jeremy Raisman: I did not

Dr. P. N. Banerjea: I am glad to know that he did not, but he ought to have used his language more carefully because his language has given a great offence to the Members of the Opposition.

The Honourable Sir Jeremy Raisman: I was referring to the irresponsible criticism which appeared in the Press.

Dr. P. N. Banerjea: I thank him for the clarification. But I wish he had used clearer language. If he had referred to the criticism which had

appeared in the Press, even then he should not have been intolerant of their criticism. The Press must do its duty, the Press pointed out that there were cases of favouritism and jobbery on the part of the Government, and it was necessary for the Government Benches to clear their position. What did the Honourable the Finance Member do? He shifted the charges of favouritism and jobbery to the shoulders of the Honourable the Law Member when he said that "I had the assistance of the Honourable the Law Member". He ought to have been in a position to justify the appointments made. I am sorry to have to say that he was unable to justify those appointments and he has not been able to satisfy all the inquiries that were made. Sir, in regard to all these questions, there are questions of principle involved and these questions of principle should be considered by them with patience. I must say that the Honourable the Finance Member is generally very polite and courteous, and what made him forsake his urbanity on this particular question I do not know. He should not be completely put out whenever there is criticism and he should not get excited. Let us hope that in future he will meet all the points that are raised with patience and forbearance.

Mr. Lalchand Navalrai: Sir, I shall first say one word with regard to the word "irresponsible" used by the Honourable the Finance Member.

Mr. J. D. Boyle (Bombay European) On a point of order, Sir, how does this arise out of this—creation of new posts of Import and Export Trade Controllers and their offices?

Mr. Deputy President (Mr. Akhil Chandna Datta) If a remark is made by one Honourable Member in the course of a debate, then other Honourable Members are entitled to reply to that remark.

Mr. Lalchand Navalrai: Sir, I never wanted to say anything more than this, that he should not have said that the whole of the Press was irresponsible, he should have pointed out the particular Press which was irresponsible. However, I leave that point. Now coming to the point, I would draw the attention of the House to the constitutional aspect of this demand. The question arises whether this is a Supplementary Demand. I find here that it is stated that these two appointments were made after the Budget was passed. That clearly shows that these appointments were not in the contemplation of the Government before the Budget, and what I have understood as regards the Supplementary Demands is this, that if at the time of the Budget a certain amount has been allowed for particular demands—and those grants have been made for particular purposes—then with regard to the business, or the payments, or the salaries to the particular staff which is at that time existing, if anything further is needed afterward, *after* the Budget, in regard to the same subject, in regard to the same business, in regard to the same salaries, and if the business requires more than some thing which has been spent over it, and if this is asked for, that would be a supplementary demand, otherwise it would be a new demand altogether. As is clear from this note that has been submitted here, this is due to the creation of the posts of Import and Export Trade Controllers and their offices, *after* the Budget was framed. Do I understand that this question with regard to these two officers was under contemplation before, and it was placed before the Finance Committee or some such committee that had to

[Mr. Lalchand Navalrai]

do with it, or it was even in some way brought before the House, or it was done in such a manner as any demand that would be asked for after the Budget was finished would be submitted? That not having been done, I feel that this is not a Supplementary Demand at all, and unless and until we are satisfied after we hear the Honourable the Commerce Member, this will be a question really for the Chair to decide, I submit, whether it is a Supplementary Demand or not

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Sir, I am afraid there has been a great deal of misconception over this Supplementary Demand. In the first place, I should like to say that there are two kinds of Supplementary Demands—demands for a new service which has been brought into existence after the last Budget was passed and which could not have been foreseen at the time the last Budget was framed, and Supplementary Demands which relate to excess expenditure on items provided in the original Budget. This particular demand really comes under the latter category. The question of export control or import control is one which is generally dealt with by the Collectors of Customs. They have the power to restrict certain imports or to regulate certain exports.

Mr. Lalchand Navalrai: Where is the second category defined? The Honourable Member said that there are two kinds of Supplementary Demands. I would like to know from the Honourable Member where the second category is defined.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The first kind the House will come to a little later, when, for instance, the Board of Scientific and Industrial Research demand comes up—which is an altogether new service.

With reference to this, it is the Collectors of Customs who deal with export and import restrictions. After the war broke out, there were a number of additional restrictions which had necessarily to be imposed in connection with our policy of economic warfare. The imports from enemy countries had to be prohibited, and somebody had to be in charge of it, to see that these imports do not come in. Then exports to certain countries, neutral countries, which were in a position to pass on those exports to the enemy countries had also to be regulated, and though there was no prohibition in this case, the quantity had to be restricted. A system of quotas had to be applied. For well nigh six to eight months after the war, this duty fell on the Collectors of Customs and I am thankful to say that they were discharging the duty very well. That is why there is no provision for this in the original Budget which was put before the House on the last day of February, 1940. But very soon it became clear to me that the question was so complicated, the number of instances in which these export and import restrictions had to be followed were so many and, particularly after the debacle in Europe and the collapse of France, Holland, Denmark and other countries, the work had so increased that it was not possible to expect the Collectors of Customs in addition to their ordinary and normal work to carry on this work also. Therefore, the Commerce Department felt that additional officers had to be employed. So, it is really an increase in the

service under the Customs, it is not a new service at all. Additional officers had to be employed who would take over from the Collector of Customs part of the duties which they were hitherto performing. These officers came into existence on the 1st of July, 1940, that is to say, about four months after the first Budget was placed before the House.

The Export Controllers deal with permits and the granting of quotas for export of commodities from India to various countries. With all our desire to increase the export of raw products and even our manufactured goods, I hope the House will agree with me that our policy of economic warfare must also be pursued whereby essential commodities do not reach the enemy either directly, which is very rare, or, what is far more possible, indirectly through neutral countries. It is for this purpose that we have to take into account the total exports to certain foreign countries, allot them among the various exporters, see that quotas are granted and see that persons receive licences for exporting. All that paraphernalia is conducted through the help of these Export Trade Controllers. Similarly, when the policy of the conservation of dollar exchange had to be taken up, we had necessarily to think of a certain number of Import Controllers also functioning in the same way. As a matter of fact even to this day the Collectors of Customs at Karachi and Madras have this additional duty thrown on them both with reference to export control and import control, and the only relief that has been given to them is in the form of Assistant Export Controllers and Assistant Import Controllers. In Bombay and in Calcutta, as the House will easily realise, because they are the largest ports from which large quantities go out or come into this country, special Export and Import Controllers had to be appointed and the Collectors of Customs are completely relieved of this duty, so that they can attend to their normal duties.

An Honourable Member: Is there no duplication of work?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No. This is essentially a different kind of work altogether. It is a new kind of work though the nature is the same. It is a work which can be easily separated from the normal work of the Collector of Customs.

An Honourable Member: Are these Indians?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The Import Trade Controller and the Export Trade Controller in Bombay are both Indians. One is a Hindu and the other a Mussalman.

An Honourable Member: So the balance is maintained.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I want to give the fullest information to the House so that I may not have supplementaries afterwards. The Export Trade Controller in Calcutta is a European and the Import Trade Controller there till recently was a Bengali Hindu. That officer having come up to the Commerce Department Secretariat here, we are now thinking of appointing another person. What his class or creed will be I am unable to say at the present moment.

Mr. Husenbhai Abdullaibhai Laljee: Their pay is not included in this?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: They are non-voted. They are I C S officers

Pandit Nilakantha Das: May I ask if this control has anything to do with the position of the trade in this country, such as, its development, or is this control meant only to carry on economic warfare?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The purpose of this is in pursuance of our policy of economic warfare but, naturally, the activities of these officers have a very direct bearing on the trade and commerce of the country. My Honourable friend, Pandit Lakshmi Kanta Maitra, raised that question and thought that the Export Advisory Council which had been set up may well be abolished and the work be taken up by these Export and Import Controllers. It is just the other way. When this particular work was being done by the Collectors of Customs, Government felt that it was advisable to associate with this export control work a body of commercial people who can lay their complaints before Government, and in the light of these complaints or grievances the export control policy may be so adjusted from time to time that while, on the one hand, the essential purpose of economic warfare may not be lost sight of, on the other hand, all unnecessary impediments to trade and commerce may be removed and the grievances minimised as far as possible. It was in pursuance of that policy that an Export Advisory Board was constituted about the middle of last year when the control policy was becoming graver and graver. In addition to the Export Advisory Board, over which I have the honour to preside and it meets regularly once a quarter as far as possible, in different parts of India, in addition to meeting at the Centre of the Government, we have constituted Local Advisory Boards in all the four ports, namely, Karachi, Bombay, Madras and Calcutta. The Export Advisory Officer at these ports presides over the meetings of the Local Advisory Boards except in Bombay where my Honourable friend, Sir Homi Mody, being the Vice-President of the Central Advisory Board, takes the chair of the Local Advisory Board also. It is in that way that the commercial and business men come in contact with the work of the Export Trade Controller and advise him and he, in turn, is guided to a certain extent by the views they put forward in carrying out what I frankly admit is not an easy task for an Export Trade Controller or an Import Trade Controller.

An Honourable Member: Do they belong to exporters or importers?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: They are sent by the various Chambers of Commerce and must be concerned both with export and import work. They are not all nominated by the Government of India. They are representatives of the various organisations. The Federation of Chambers of Commerce sends two representatives. The Associated Chambers of Commerce sends two representatives. The Grain Merchants Association, which is the biggest body in charge of the export of grain, sends a representative. The local Chambers of Commerce, Indian and European, send a representative to the Local Boards. In all cases as far as I can remember, except a very small percentage of nominations which Government makes to see that interests not otherwise represented are also there, it is the elected representatives of the various commercial organisations that form the members of both the Central Advisory Board and

the Local Advisory Boards. It is in that way that we hope to carry out what I again say is a difficult task. It is one of the most difficult tasks that has ever confronted the Commerce Department or the officers who are directly responsible for this work.

As regards the further question raised by Maulvi Abdul Ghani, I may say that most of the staff employed by these Export and Import Advisers are staff which have been taken from the existing Customs Department staff because they have the necessary experience of it and I am assured that in any consequential vacancies which are filled, due consideration is given to the communal Resolution of 1934.

One last point that my friend, Mr Maitra, raised was whether this organisation was going to be a permanent organisation. From what I have said it will be clear that this organisation has come into existence purely to meet the temporary difficulties created by the war and there is certainly no intention of making this organisation a permanent organisation.

Mr. Lalchand Navalrai: Sir, I rise on a point of order. I have heard the Honourable the Commerce Member and I am thankful to him for explaining the whole thing. But I am not yet convinced about the constitutional question. My point is that it is not a Supplementary Demand at all. As explained by the Honourable the Commerce Member and I also referred to it, a Supplementary Demand relates to an excess to what has already been granted. The Honourable the Commerce Member said that this is also an excess amount. I submit this is not an excess demand when this was not under contemplation then.

Syed Ghulam Bhik Nairang (East Punjab Muhammadan) Is this the point of order that the Honourable Member is raising?

Mr. Deputy President (Mr Akhil Chandra Datta) Please state your point of order in a few words.

Mr. Lalchand Navalrai: I am giving it in my own words. The Honourable the Commerce Member said that subsequent to the passing of the Budget, it appeared to the Customs Officer that certain new officers were necessary for new purposes.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It was not a new purpose.

Mr. Lalchand Navalrai: It was for war purpose, it was not ordinary purpose, nor ordinary work and, therefore, they were appointed.

Mr. Deputy President (Mr Akhil Chandra Datta) The Honourable Member is not raising a point of order. He is only making a speech.

Mr. Lalchand Navalrai: I am saying the point of order in a few words. I am not yet satisfied that this is an excess grant,—in excess of what was already budgeted for.

The Honourable Sir Jeremy Raisman: On the points raised by the Honourable Member, may I make a few observations? I would refer the Honourable Member to Rule 50 of the Indian Legislative Rules from which

[Sir Jeremy Raisman]

it would be perfectly clear that both types of Supplementary Demands exist The Rule says

"An estimate shall be presented to the Assembly for a supplementary or additional grant when

- (i) the amount voted in the Budget of a grant is found to be insufficient for the purposes of the current year, or
- (ii) a need arises during the current year for expenditure for which the vote of the Assembly is necessary upon some new service not contemplated in the Budget for that year "

I do not understand the point of order raised by the Honourable Member, Mr Lalchand Navalrai

Mr. Lalchand Navalrai: I do not press my point of order, Sir

Dr. P. N. Banerjea: There seems to be some confusion

Mr. Deputy President (Mr Akhil Chandra Datta) Are you raising a point of order?

Dr. P. N. Banerjea: Yes, Sir There is a confusion between supplementary grant and excess grant which are entirely different things

Mr. Deputy President (Mr Akhil Chandra Datta) That is not a point of order He is only distinguishing between the two

Maulvi Muhammad Abdul Ghani: Sir in view of the explanation given by the Honourable the Commerce Member, I beg leave to withdraw my amendment

The amendment was by leave of the Assembly withdrawn

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That a supplementary sum not exceeding Rs 72,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Commerce Department'"

The motion was adopted

DEMAND No 22—CENTRAL BOARD OF REVENUE.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Central Board of Revenue'"

Mr. Deputy President (Mr Akhil Chandra Datta) Motion moved

"That a supplementary sum not exceeding Rs 37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of the 'Central Board of Revenue'"

Pandit Nilakantha Das: There is a note which says that this additional expenditure refers to allowances of the Director of Inspection, Income-tax and the Excess Profits Tax Adviser and their staff I want to

know whether this was placed before the Standing Finance Committee. If they are a new service what was the reason why they were not contemplated during the budget preparations?

The Honourable Sir Jeremy Raisman: This was placed before the Standing Finance Committee. I regret it has not been indicated.

Pandit Nilakantha Das: Was it placed at the meeting on 9th September? I also wanted to know if the expenditure on this service is really more than 50,000, for we have got to grant only Rs 37,000?

The Honourable Sir Jeremy Raisman: The total amount which is being demanded here is Rs 37,000. The total cost of the service is placed before the Standing Finance Committee in respect of Director of Inspection and it was just short of Rs 20,000 in 1940-41 and Rs 40,000 in subsequent years.

Mr. Deputy President (Mr Akhil Chandra Datta): The question is

"That a supplementary sum not exceeding Rs 37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March 1941, in respect of the 'Central Board of Revenue'."

The motion was adopted.

DEMAND NO. 27—POLICE.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 6,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Police'."

Mr. Deputy President (Mr Akhil Chandra Datta): Motion moved.

"That a supplementary sum not exceeding Rs 6,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Police'."

Contribution for the Cost of Civic Guards

Maulvi Muhammad Abdul Ghani: Sir, I move

"That the demand for a supplemental grant of a sum not exceeding Rs 6,54,000 in respect of 'Police' be reduced by Rs 1,81,300."

Sir, the sum of Rs 1,81,300 is for the payment of proportionate cost of civic guards to different provinces. The purpose of this civic guard has been mentioned as giving help to the public in case of disturbance or danger. But there are organisations which are willingly co-operating with the authorities in the various provinces and they are not paid. But in spite of their co-operation unnecessary restrictions are being imposed in the various provinces simply because they wear a particular kind of uniform, (say) khaki. In the place where I reside there is an organisation called the Muslim League. They obey all the orders framed under the Defence of India rules and have stopped all their activities, but on the day of *Id* last which is an important festival they went to offer their prayers in khaki uniforms, and they were for that reason taken to task. They were only pardoned after they had given a sort of apology. Their only fault was that they wore khaki uniforms. Rules 48 and 59 of the Defence of India Rules provide that the wearing

The Honourable Sir Reginald Maxwell: Sir, is the Honourable Member relevant? He appears to be complaining that other volunteers, not the civic guard, are interfered with in the performance of some functions

Mr. Deputy President (Mr. Akhil Chandra Datta) Was the Honourable Member speaking about the civic guards or any other organisation?

Maulvi Muhammad Abdul Ghani: I was talking about the civic guards.

The Honourable Sir Reginald Maxwell: I understood the Honourable Member to speak about the Defence of India Rules

Maulvi Muhammad Abdul Ghani: I was only saying, as an example, that these guards have been created to help the public in case of disturbance I was saying that the expenditure on these civic guards and the necessity of having them might be very well avoided if the authorities in the various provinces had paid attention to the rules framed under the Defence of India Act As they are not paying that attention to the rules this expenditure has needlessly arisen

Mr. Deputy President (Mr. Akhil Chandra Datta) Yes, the Honourable Member is in order

Maulvi Muhammad Abdul Ghani: I was submitting that rules 48 and 59 impose certain conditions Rule 48 prohibits the wearing of any uniform which might lead one to believe that the person wearing the uniform is posing as a Government servant, either Indian, British or foreign But if there is no chance of any deception the authorities should not bar the activities of any organisation unnecessarily Rule 59 says that unless persons wearing the uniform are out to violate

Mr. Deputy President (Mr. Akhil Chandra Datta) What is the point which the Honourable Member is making?

Maulvi Muhammad Abdul Ghani: I am submitting that the rules framed by the Government of India are quite clear One is about deception and the other relates to likely prejudice of the public safety, maintenance of public order or the defence of British India, etc If these two elements are absent from any uniform of an organisation which is helping the public cause also it should not be unnecessarily interfered with They can reduce the expenditure by taking the help of the public. I know wherever you find the Muslim League volunteers they wear a long green badge which is conspicuous from a very great distance That badge is not only green but it bears a white crescent mark So no one can be deceived And when they have given an undertaking that they are not going to overawe or violate the conditions laid down by the established authority they should not be needlessly interfered with, rather their help should be had So this unnecessary expenditure might very well be avoided by asking the various Provincial Governments to take the help of such organisations who are willing to co-operate with them I hope the Government will in future stop such unnecessary restrictions

Mr. Deputy President (Mr. Akhil Chandra Datta). Amendment moved.

"That the demand for a supplementary grant of a sum not exceeding Ra. 6,54,000 in respect of 'Police' be reduced by Ra. 1,81,300"

Mr. M. S. Aney: Sir, I want to have some explanation from the Honourable the Home Member as to the special reasons why such additional expenditure on police has to be incurred during this year in every province. For example, in Bombay, we find that the demand for additional expenditure on police comes to about Rs 2,17,700 in excess of what was provided in the budget. Similarly, in Bengal it is Rs 1,04,400 and, in the Punjab, it is Rs 1,39,600. Were the conditions in these provinces so abnormal during the year that it was necessary for the Government to incur this additional expenditure on police in these provinces? I thought, so far as we could judge the situation from newspapers which we read every day that there was nothing abnormal or unusual in the situation in any of these three provinces to merit the extra expenditure in these three provinces particularly.

As regards civic guards, I have to say nothing. It is a new expenditure which the Government have incurred on account of the war. But so far as the extra expenditure on police is concerned I do not think—at least to our knowledge there has not been any very abnormal situation existing so that our budget estimates should have fallen so much below the actual requirements.

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) Sir, I stand to support the cut motion moved by Maulvi Abdul Ghani. The policy of spending money on civic guards is one which is resented by the whole of the Indian nation. The very existence of the civic guards has not been approved by this House at all. The question of spending money, more or less, on that body cannot arise and this House can never be prepared to vote for a grant which is against the wishes of the entire House. How has the civic guard come into existence? It is only by a complete distrust of all private organisations that exist in India today, whether they belong to the Muslim League, or whether they belong to the Congress or to the Ahrars. Every one of these are voluntary organisations which could be utilised at the time of war, and every one of these organisations which could be utilised for the defence of India is being banned by this Government, and they are spending and wasting the money of the taxpayer over people who will be of absolutely no use if any kind of trouble comes to India. What are these civic guards? They are given pensions, they are given gifts, they are given presents merely to go on parade sometimes and to show their faces to the officers in order to be in their good books. It is only such people who join the civic guards. What use are they going to be to India in case of any trouble? Absolutely no use. Just as it is said that the policeman comes after the storm is over, these gentlemen will come out of their houses only when the difficulties have vanished.

Mr. M. S. Aney: Like the municipal fire engine which comes after the fire has burnt out!

Sir Cowasji Jehangir: They reach there after the storm; but you create the storm.

Qazi Muhammad Ahmad Kazmi: The storm is created by other people, not by me. They say they are making preparations for meeting war emergencies and the word 'war' has been introduced here. What I protest against is the policy of the Government in suppressing the indigenous

[Qazi Muhammad Ahmad Kazmi]

voluntary organisations and setting up against them organisations which are to be paid from the money of the taxpayer and which would be of absolutely no use or service in any real emergency in this country. What injury has the Muslim League done to this Government that the volunteers of the Muslim League cannot be trusted with this work? Only the other day Maulana Zafar Ali Khan stood up and moved an adjournment motion about the Khaksars. What was their fault? They were moving in single file, one behind the other. They were making no demonstration against this Government. What have the Ahrar volunteers been doing? They were only going to different meetings and taking out processions and keeping order. But Government say "You are not allowed to do that." The Government will extract money from the taxpayer and pay these civic guards

[At this stage, Mr President (The Honourable Sir Abdur Rahim) resumed the Chair]

But for these voluntary organisations you would not have to pay a single pie from the revenues of India. My submission is that unless the Government take courage in both hands and start trusting India and Indians and the Indian organizations and leave their present policy of distrust and repression in which they are indulging

Mr. M. S. Aney: Their hands are already engaged: they have no other hands to take courage

Qazi Muhammad Ahmad Kazmi: I doubt very much if the hands of the present Government are engaged because if they are engaged at all they are engaged only in repression, and if they take their hands off from this repression they will be in a better position to take the help of these voluntary organizations in India. May I ask the Government if they really think that these mercenary persons who are paid large sums from the public revenues can ever be of any real help in any emergency? Has not this country always been defended by people who have got the real interests of the country at heart and who do not care for money and such like? Can the country be helped by these persons who are well paid from the public funds and who are there merely because they are in the good books of the officials who pay them? The simple position is this: the organisation of civic guards as constituted at the present day is not needed by India and is considered by the taxpayer to be an absolute waste of money and we cannot grant a single pie towards the cost of maintaining these people. With these words, I support the amendment

Sir F. E. James (Madras European): May I ask my Honourable friend whether he was speaking for the Independent Party of which he is a member, or whether he is speaking independently of his Party?

Qazi Muhammad Ahmad Kazmi: The Independent Party consists of independent members

Pandit Nilakantha Das: Sir, while discussing the question of additional police and civic guards if we consider the various non-official bodies of volunteers as serving the country and the Government at this particular

tume, a controversy is sure to arise. Such a controversy I shall avoid. I shall simply narrate some personal experience which will speak for itself about the civic guards organisation. Of course, I do not find in the list here the names of small provinces like Orissa, Assam, Sind and the North-West Frontier Province. But I believe in the Standing Finance Committee's report, in the additional police force, these names have been included. In some cases their demands are being considered and some have been given. I believe somehow or other in some of the bigger circles these provinces have been included, though civic guards have not yet been organised in these small provinces they will sooner or later be organised, and if these provinces do organise civic guards one-third of the expenditure will be given to them by the Central Government. Organisation of civic guards like additional police is a necessity in all provinces—big and small—at this critical time. So I will now narrate my experience in Orissa.

Mr. M. S. Aney: Where is Orissa?

Pandit Nilakantha Das: Orissa is the cinderella of the British Government. After the war began, I must confess that I had lost all faith in the philosophy of the spinning wheel and the ethics of non-violence.

Sir Cowasji Jehangir: Why?

Pandit Nilakantha Das: I lost all faith in non-violence ethics, and this was one of the reasons why I gave up the presidentship of the Provincial Congress Committee . . .

Mr. Lalchand Navalrai: For how long were you the president?

Pandit Nilakantha Das: For many years I had been the president and I wanted to co-operate with the Government. I received a letter for joining the War Committee. There was a ban from the Congress, and in spite of that ban, I offered my services to the Government, and I received a letter from the District Officer. I offered my services, but I told them that I did not know the character of the services that I should have to render. So I particularly mentioned that if they organized, among other things, civic guards and did such and such things, I was with them out and out, for I consider that this is a time when if you organize civic guards, such volunteer organizations, will be very useful in keeping up the moral tone of the people, and in maintaining internal peace and order if such a need arises, because most of us are afraid of internal disorder in the country overtaking us at any time. But nothing came out of my offer. One day an officer came and asked me—"Why don't you join the War Committee?". I said I was ready to join, but I asked him what they were going to do in that committee, except collecting a little money. I said if they wanted Rs 5 or Rs 50 I could give them that, but did they want anything more? Did they want real popular and non-official co-operation? Did they want my co-operation? They did not want my co-operation. I had told them that they should have additional police force with popular sympathy and support, and they should organize civic guards, they should also popularise recruitment to the army, etc. But none would listen to it. Sir, we do come out and offer our co-operation,—we know where the shoe pinches,—we know how to approach our people, we know how to make the war measures popular, we have been among the people, we have been

[Pandit Nilakantha Das]

representing the teeming millions even in this House for the past 20 years,—but you don't want our co-operation I am ready to offer my co-operation, but none wants it They simply asked me for a subscription of Rs 5 Even so, I also said I would go to the people and ask them for money,—but if they ask me for what purpose the money is wanted, I could not tell them the object I could not tell them that it was meant for our equipment or for our war I could not tell them that they should guard their hearths and homes themselves and get themselves prepared for other emergencies They could only be asked to pay money for things intended for their own good—they should be convinced that they serve their own cause This conviction should be carried to them But the authorities have been blind to the popular demand, they have been blind to the popular sentiment all these years, and even at this critical time, they are not taking advantage of the real co-operation that is being offered by a large class of the population As I said, we are ready to co-operate There are many among us who have by now realised that the non-violence ethics and spinning wheel philosophy will not save our land, these things will not give us independence, we also do not demand from you that you should undertake that by such and such a date you should give us independence You cannot give us independence, nor can you lay down a time limit Many of us know that But all the same, we also know that this is a time when we should get ourselves prepared for taking up the defence of the country in hand when it is so much needed, and this will give no strength and confidence to manage our own house just after the war If you do not accept our co-operation with this object in view, if you do not allow us to take charge of our country, to guard against internal disturbances and disorders, ask us to recruit our youngmen to the army, no good will come out of wasting money like this You have not trusted us for the last 180 years, and even at this critical time you are pursuing the same policy of distrust which will lead you nowhere So I support the amendment with the narration of my personal experience I think I have explained the whole position Now you should decide whether you should waste money like this till doomsday or whether you should accept the hand of real co-operation which is sincerely offered by those who know how to deal with popular sentiment in this country and how to prepare our people against crisis that may occur at any moment

Mr. Amarendra Nath Chattopadhyaya: Sir, I have tabled a motion like this, and so I wish to support this motion Sir, civic guards are included in the police budget The inefficiency of the Indian police is as much proverbial as the proverbial poverty of India Civic guards are formed and are included in the police category Is it for the purpose of adding to the efficiency of police or for making the service more inefficient? The police is not sufficient to maintain peace and order, and so perhaps the civic guards have been organized and included in the police to assist them Sir, in Calcutta we have some experience of the work done by civic guards Their only duty is to shout in case of black-out practice for any possible air raid and to tell the people that they should live in the dark for a certain period, and that they should not peep through the windows Our Congress friends also shout and say 'don't go to war' and they are sent to jail, whereas the civic guards, who in the name of war shout and tell the people there will be a war and to guard against it, are

paid something Sir, these civic guards are an anomaly. They are absolutely of no use. We have in Bengal hundreds of volunteers who are well trained and well equipped and who are able to maintain peace and order, but they are all suspects in the eyes of the Government. The Government cannot trust them, and, therefore, they discovered a way to offer employment to a few youngmen by asking them to form themselves into civic guards. And what are they paid? They are paid six annas a day, and twelve annas a day to inspector. If that is a fact, how can they be expected to discharge their duties if they have a duty at all to discharge? Really, we are at a loss to understand the real object for which civic guards have been organised. Government do not give out the real object for the institution of civic guards. In Bengal there have been internal disorder and troubles in many places. Have these civic guards been of any use in any of those places, have they been of any good either at Dacca in the recent riots or at Khulna, where there is going on much internal trouble? Have these civic guards been of the slightest use in any part of Bengal whenever rioting or internal disorder broke out? So far as I know, they have been of practically no use whatever to anybody except to themselves. Why should the Bengal Government, or for the matter of fact, why should the Central Government continue to pay these people and maintain them out of the taxpayer's money? If Government, really meant business, these people would have been given proper training.

What training have they got? They have not got any training. They are not equipped with any weapon of defence, they have been given mere batons. This is really a parody of defence. We have seen them—weaklings, unhealthy, young persons, who had no food, who had nothing to fall back upon. (Interruption) Poor unemployed people, they mostly are and if the Government want to employ these unemployed youths I have nothing to say, but I may say they are worse than useless. Regarding their training, Government are indifferent, regarding their equipment, they are absolutely indifferent, and with regard to their usefulness, no one has been found useful for any purpose, at least so far as Bengal is concerned. Our troubles in Bengal are mostly in villages. We hear that in England, if the Germans invade England, they will have to fight inch by inch. The British Government have organised every village, and every man will fight for protecting his country. If really our present Government believes that there may be a war in India, then they should not create such a force as civic guards. They should put their trust in those people who really feel for India, who love India, who love independence. They should trust these people to form volunteers and militia to defend the hearths and homes against both internal and external troubles. Therefore, this sum of Rs 1,80,000 which has been set apart for these civic guards is absolutely useless and is a waste, and the Honourable the Finance Member should rather divert it to more useful purposes. Instead of wasting this money, a better purpose would have been served if he could transfer this amount to research and not waste the amount on feeding these useless people. With these words, Sir, I support the amendment.

The Honourable Sir Reginald Maxwell: The demand which the House is asked to pass covers two items, one, additional expenditure on police, and the other, contribution to the cost of civic guards, and I would deal

[Sir Reginald Maxwell]

first with a question asked by Mr Aney about the additional expenditure on police As I think he recognised, war conditions give rise to additional duties for which police are required To give just a single instance, the possibility of sabotage is a reason for strengthening the police in certain conditions, and various other requirements arise which necessitate extra police being entertained over and above the staff ordinarily necessary in peace time The provincial police are called upon to perform certain additional duties in connection with the interests of the Central Government, such as, for instance, guarding the Central Government's buildings and installations, or taking measures in regard to the surveillance of enemy foreigners or other foreigners Therefore, the Central Government has undertaken certain liabilities for the payment of additional strength of police which has been necessitated by war circumstances That liability was undertaken in the year 1940, and it is for an item of additional police for which no provision could be made in the budget estimates for the year 1940-41 That answers Mr Aeny's point

As regards civic guards, the reason for entertaining them is to a large extent the same, that is, war circumstances give rise to the

4 p.m. need of additional security staff for various purposes The staffs required for those purposes need not necessarily all be of the same character or training It would be a waste of time to employ policemen who are fully drilled or trained in the investigation of crime, for certain simpler types of duties Then, again, it is necessary also to prepare beforehand for any emergency which may arise and not wait until the emergency is upon you and then begin thinking how you are going to strengthen your internal security staff And circumstances might arise in which you might find it necessary to relieve a certain number of the police by persons who had, at any rate, some qualifications for that kind of work Therefore, it is a matter of ordinary precaution in a way, to have as a sort of reserve something outside the ordinary police, on which you do not incur very high expenditure except when it is actually wanted for use By entertaining civic guards the provinces are able to supply themselves with a moderately disciplined force which can be used in certain emergent circumstances but which is not costing them a tremendous lot in the meanwhile Those civic guards are similarly helping to perform certain functions on behalf of the Central Government They may be used to some extent for guarding the Central Government's buildings or installations, railway bridges, this, that or the other, and, therefore, the Central Government has agreed to pay the provinces a certain contribution That is the contribution asked for in this Supplementary Demand, and it is a liability which arose in 1940 and, therefore, could not be provided for in the budget estimates But at the same time I would ask the House to remember in relation to other things which have been said about civic guards, that they are not a central organisation, they are not a central force They are entirely a provincial force We have to rely on the provinces to provide the personnel necessary for certain purposes and all we do is to contribute to the cost, and that is all the House is asked to do in passing this Supplementary Demand (Pandit Nilakantha Das rose to interrupt) I am not giving way to the Honourable Member

We do not take the responsibility for every detail of the employment of the civic guards The provinces are perfectly well able to apportion their strength to the various purposes for which they are required There-

fore, it is not really relevant to the demand which is now before the House to argue that the civic guards are not of a good quality, or they ought not to be used for this or that purpose. We are satisfied that it will strengthen the position *vis-a-vis* any emergent war position to have civic guards available in the provinces and that they will be—and they are—well worth the contribution which the Central Government asks the House to vote for them. The other arguments used by my Honourable friend, Mr Abdul Ghani, as a reason for rejecting these guards were entirely irrelevant. He entered into a certain amount of discussion about a notification issued under the Defence Rules regarding drilling and uniform and volunteer organisations generally. I did not quite follow what the Honourable Member's argument was unless it was that civic guards should be washed out and that all these duties should be left to be performed by irregular volunteer organisations. At any rate I have some confidence in saying that the policy followed by the Government of India in regard to volunteer organisations generally and in regard to the regulation of the use of uniforms and performance of military evolutions by such bodies has had the general support of this House and of the country. More particularly I might point out that in any emergent position you cannot have a number of independent volunteer organisations wearing different uniforms of an unrecognised kind, performing internal security functions. They must be one body which can be recognised by its uniform and which cannot be confused with any other unauthorised body. The public in a time of emergency must know to whom they are to turn. Therefore, I think that these arguments which have been raised about volunteer organisations are not relevant and I hope the House will not consider them but will pass this Supplementary Demand.

Sir Cowasji Jehangir: Sir, I am rather surprised to hear the Honourable Member from Bengal, Mr Chattopadhyaya, describing the quality of the civic guards from his part of India. His description was that they were unemployed good for nothing, that they were half starved and worse than useless. Well, Sir, he can speak for his own province. Whether he is right or wrong, I am not in a position to be able to say. My own impression is that that he is exaggerating but I can speak with a little knowledge of my own province and I can inform the House that there was a rush to join the civic guards. There is a very high standard laid down for education and physical fitness. There are very few who are not graduates. All have been medically passed fit and a large number were rejected. They are a fine body of men who expect to do useful work. When you get a class of men like this, of the standard of education that these men have, to hear them run down, as my Honourable friend did, is rather deplorable and so far as the Bombay civic guards are concerned, I would suggest that my Honourable friends come to Bombay to have a look and if they find them better than any of those organisations in which they are interested, then I hope next time they will be candid enough to get up in this House and speak the truth.

Dr. P. N. Banerjea: Who will pay the travelling allowance?

Sir Cowasji Jehangir: Patriotism will make you pay the travelling allowance. If you have not that much of patriotism and ask Government to pay your travelling allowance, you ought not to be here. Well, Sir, it is a great pity to hear in this Honourable House these criticisms which

[Sir Cowasji Jehangir.]

are so untrue They may be true of Bengal I am not in a position to contradict my Honourable friend but perhaps there are others from Bengal who will speak with greater knowledge As to my friend, Mr Kazmi, a Member of the new Independent Party, I would leave him to his Leader, Lieut -Colonel Sir Henry Gidney, for disciplinary action

Several Honourable Members: I move that the question be now put

Mr. President (The Honourable Sir Abdur Rahim) The question is "That the question be now put"

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The question is "That the demand for a supplementary grant of a sum not exceeding Rs 6,54,000 in respect of 'Police' be reduced by Rs 1,81,300"

(On a division being challenged, Mr President asked those in favour and those against to stand up in their places Four Members were for the amendment and the rest against)

Mr. President (The Honourable Sir Abdur Rahim) The "Noes" have it

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is "That a supplementary sum not exceeding Rs 6,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Police'"

The motion was adopted

DEMAND No 28—PORTS AND PILOTAGE

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Ports and Pilotage'"

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Ports and Pilotage'"

There is an amendment in the name of Maulvi Muhammad Abdul Ghani He wishes to discuss, on this motion the question of "increased expenditure", but he is at liberty to discuss that on the demand itself, without moving a cut motion

Maulvi Muhammad Abdul Ghani: Can I do that?

Mr. President (The Honourable Sir Abdur Rahim) Certainly he can discuss that, any Honourable Member can discuss that

Maulvi Muhammad Abdul Ghani: Sir, the demand requires an additional expenditure of Rs 30,000, but I do not think that the ports at Karachi, Calcutta, and Bombay deserve to have any great increased expenditure.

Mr. J. D. Boyle: Why?

Maulvi Muhammad Abdul Ghani: Because they are very unsympathetic towards their staff Sir, from the question No 518 asked by my friend, Mr H A Sathar H Essak Sait, which was as follows

- “(a) Seeing that the figures supplied in answer to my starred question No 99, asked on the 16th November, 1940, show that there are only three Mussalmans out of 252 officers in the Calcutta Port Trust”

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I cannot hear anything

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member had better speak up

Maulvi Muhammad Abdul Ghani: I am referring to question No 518 of today

Mr. J. D. Boyle: On a point of order, Sir, does this arise?

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot discuss that question of policy, there is no question of policy on a Supplementary Demand

Maulvi Muhammad Abdul Ghani: All right I am simply opposing this demand on the ground that they are very unsympathetic towards Mussalmans as I find from the reply of the Honourable the Communications Member given today on the floor of the House

The Honourable Sir Andrew Clow (Member for Railways and Communications) Sir, this has nothing to do with the Port Trust. The Port Trust does not come into this grant at all, this is a Commerce Department grant

Mr. President (The Honourable Sir Abdur Rahim) The question is

“That a supplementary sum not exceeding Rs 30,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of ‘Ports and Pilotage’”

The motion was adopted

DEMAND NO 30—SURVEY OF INDIA

The Honourable Sir Jeremy Raisman: Sir, I move

“That a supplementary sum not exceeding Rs 57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of ‘Survey of India’”

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That a supplementary sum not exceeding Rs 57,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Survey of India'."

The motion was adopted.

DEMAND NO 32—GEOLOGICAL SURVEY

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 64,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Geological Survey'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 64,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Geological Survey'."

Revival of the Calcutta Compensatory Allowance

Maulvi Muhammad Abdul Ghani: I wish, Sir, to confine myself about the revival of the Calcutta compensatory allowance which has been included here and which was long ago abolished, and now they are going to revive that compensatory allowance I move, Sir

"That the demand for a supplementary grant of a sum not exceeding Rs 64,000 in respect of 'Geological Survey' be reduced by Rs 100"

I want to know what circumstances have arisen that the Government are going to revive the old compensatory system of allowance which was abolished after careful scrutiny, and I hope the Government will throw some light and give some reasons for reviving the compensatory allowance

Mr. President (The Honourable Sir Abdur Rahim) Surely a point like that could easily have been discussed on the motion for the demand itself? However, the Chair will put the amendment Amendment moved

"That the demand for a supplementary grant of a sum not exceeding Rs 64,000 in respect of 'Geological Survey' be reduced by Rs 100"

Pandit Lakshmi Kanta Maitra: Sir, I also have an amendment standing in my name?

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member need not be in a hurry. The object of the Honourable Member's amendment is to "discuss the increased activity of the Department during the war"? The Honourable Member cannot move an amendment like that. The question can be discussed on the motion itself

Pandit Lakshmi Kanta Maitra: I am only asking for some information

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member can speak on the motion He cannot move an amendment like that.

Pandit Lakshmi Kanta Maitra: I am not discussing the question of policy Sir, I only want to know some facts In connection with this demand there appears a footnote which says that "the excess is due mainly to the revival of the Calcutta Compensatory Allowance and to the increased activities of the Department due to the war"

Sir, I do not understand how the war has caused a spurt of geological activity or what is exactly meant by saying that there has been increased activity in geological survey due to the conditions of the war One can understand that the war has entailed on this Department additional expenditure in researches on metals or ores which may be necessary for war, but there is no indication of that in the note I would, therefore, ask the Honourable the Commerce Member to explain to us in what respect and to what extent have the activities of the Geological Survey Department have registered an advance so as to necessitate an additional grant of Rs 64,000

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, let me dispose of first the short question raised by Mr Abdul Ghani regarding the compensatory allowances in Calcutta These allowances were granted to these officers from the year 1924 onwards In 1937 by a Resolution of the Government of India these allowances were proposed to be discontinued, but subsequently on reconsideration it was decided that they should not be discontinued As this is a Central service, Class I, the officers appealed to the Secretary of State and it was decided that these compensatory allowances should be continued for these officers and that the original Resolution of the Government of India of 1937 should be confined to those officers who entered service after the 1st of May, 1937, and that is how this Supplementary Grant is necessitated

As regards the question that has been raised by my Honourable friend, Mr Maitra, I may inform him what he obviously knows perhaps that the Geological Department in every country is one of the Departments which is intensely busy when a war breaks out Many minerals are required for the purpose of the war and investigations have to be carried out with greater intensity than ever before When the war broke out in this country in September, 1939, it was immediately realised by the Director General of Geological Survey that his Department would have to do much more work than ever before The Director General took upon himself the task of publishing a pamphlet or a memorandum regarding the possible utilisation of several minerals which had been discovered in small quantities before by the previous geological surveys and how those surveys could be brought up-to-date and the kind of minerals that could be produced which would be of the greatest help to the country during the period of the war

Pandit Lakshmi Kanta Maitra: Is it a publication of the Government of India?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It is a confidential publication of the Government of India This was prepared in January, 1940, within three months of the outbreak of the war

[Diwan Bahadur Sir A. Ramaswami Mudaliar]

In pursuance of this publication several geological parties had to be sent out, new officers had to be employed, and Provincial Governments in their turn also required that certain geological investigations may be taken in hand immediately. I need not elaborate the various surveys that have been conducted. I may, however, give Honourable Members indication of some of the most important surveys that have been conducted.

Honourable Members are aware that the question of sulphur and sulphuric acid is one of the most important questions. We did not get pure sulphur in this country so far and we had to import it. The use of sulphur is necessary not only for the defence services but its use is obvious for civil industries as well. For instance, the sugar industry cannot go on with the manufacture of white sugar without a certain amount of sulphur and in the early months when the war broke out we had the greatest difficulty in seeing that sulphur was imported into this country. That is one organisation that has been set in motion by Dr. Fox and we are now in a position to state that sulphur, almost in its pure state, is to be found in two parts of the country. It is found in Koh-i-Sultan in British Baluchistan. A survey has been made there and the geological parties are at work. It has been assessed that 30,000 tons of sulphur almost in a pure state are immediately available and with the help of the Supply Department and perhaps with the help of the commercial interests we hope to place this on the market very soon, partly for the purposes of the defence and partly for the requirements of the civil industry. Then, again, take the question of bauxite from which aluminium is prepared. Surveys have been made and bauxite has been discovered in very good qualities in the Shervaroy hills in the Madras presidency and in other parts of the country. That mineral will be of the greatest interest. A survey of the Bihar mica fields has also been undertaken with a view to the formation of a plan to secure the maximum output of mica during the war. The export of mica, as the Honourable Members are aware, has increased rapidly. We are exporting it to the United States of America as a result of the recommendations of Dr. Gregory and Sir David Meek. It is also bringing very necessary pecuniary assistance to the miners and the labourers involved in the mines of Bihar. The Geological Survey of India has also helped in the preparation of bleaching powder from lime stone which has been discovered from Sankari Dug in the Salem district. I can go on with a long list of these things. But I need only say that it is gratifying to note that such a small increase in the staff has been responsible for so much good work in such a short time.

Maulvi Muhammad Abdul Ghani: Sir, in view of the explanation given by the Honourable the Commerce Member, I beg leave of the House to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That a supplementary sum not exceeding Rs 64,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Geological Survey'."

The motion was adopted.

DEMAND No. 39—EDUCATION

The Honourable Sir Jeremy Raisman: Sir, I move.

"That a supplementary sum not exceeding Rs 6,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Education' "

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 6,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Education' "

Pandit Lakshmi Kanta Maitra: May I know who are these Central State scholars?

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands) The scholarship is given every year by the Government of India to people from the Centrally Administered Areas and the scholars are sent overseas. In this particular case, the excess on the original provision is due to two reasons. One scholarship was extended on the very strong recommendation of the scholar's Professor in the London University. The scholar was a doctor and he was doing some useful research work there. In the other case, the scholar, owing to the outbreak of war in September, 1939, could not immediately proceed overseas and that was just the time when the High Commissioner was making up his budget, so, no provision was made. Subsequently, he has gone overseas and we have to meet the expense this year.

Pandit Lakshmi Kanta Maitra: Is this scholarship awarded for prosecuting technical, scientific or literary studies?

Mr. J. D. Tyson: I do not think that there is any restriction placed. Usually, I think, it has been of a scientific character.

Maulvi Syed Murtuza Sahib Bahadur: May I know the amount of the scholarship?

Mr. J. D. Tyson: I could not say that off-hand.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That a supplementary sum not exceeding Rs 6,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Education' "

The motion was adopted.

DEMAND No. 40—PUBLIC HEALTH

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 15,98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Public Health' "

Mr. President (The Honourable Sir Abdur Rahim) The question is "That a supplementary sum not exceeding Rs 15,98,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Public Health'."

The motion was adopted

DEMAND No. 46-A—SCIENTIFIC AND INDUSTRIAL RESEARCH.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 3,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Scientific and Industrial Research'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 3,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Scientific and Industrial Research'."

Importance of the Work and the Constitution of the Board

Mr. Amarendra Nath Chattopadhyaya: Sir, I move

"That the demand for a supplementary grant of a sum not exceeding Rs 3,54,000 in respect of 'Scientific and Industrial Research' be reduced by Rs 100."

Sir, if this war has brought any ray of hope to this country, it is this setting up of this research Board. I have personally visited this office in Calcutta and I really found that they were doing useful work. The grant sanctioned by the Government is absolutely inadequate. With a view to draw the attention of the Government to the importance of this work, I have tabled this amendment.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member can discuss the whole thing without this amendment. The Chair would tell the House that no Honourable Member can gain priority by tabling an amendment like that which is not necessary and which is out of order. However, the Honourable Member can go on.

Mr. Amarendra Nath Chattopadhyaya: Sir, a few minutes ago, when discussing the grant for civic guards, I said . . .

Mr. President (The Honourable Sir Abdur Rahim) It has nothing to do with this grant.

Mr. Amarendra Nath Chattopadhyaya: I meant to say that instead of wasting money on civic guards it should be granted for useful purposes like this. This will really help India in creating industries in the future and, therefore, I request the Honourable the Commerce Member to see that he gets more grants for this purpose and encourage this research work as best as he can. With these words, I support the motion.

Dr. P. N. Banerjea: Sir, I have generally been a critic, sometimes a stern and severe critic of Government measures. But at the present moment, I find myself in the happy position of supporting the Government.

But my only complaint is that the sum provided here is not sufficient and a great deal more money will be required if research work is to be carried out to the fullest extent. I would also urge upon the Government that this Research Board which has been established for war purposes should not be abolished when the war is over, but should be continued as a separate research department for purposes of industrial and scientific development in the country.

Pandit Nilakantha Das: Sir, I should like to know the nature of the work that is carried on in this Board, I want to have some illustrations of the work carried on and the character of the work which is intended for the promotion of our industrial development. This is so interesting a thing and I should like the Honourable the Commerce Member to give us some information.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I shall take another opportunity, if Honourable Members who are interested in this subject so care, to arrange a talk perhaps from a more authoritative person, the Director of the Scientific and Industrial Research Bureau himself on the work that has been carried out so far by this Board and on what it hopes to do. But I may briefly state what was the purpose of this Board and how it has been functioning. With reference to the first point that the grant is inadequate at least on the Supplementary Grant that has been proposed it does not seem to be a correct position, because the original grant for this Board was five lakhs and we have been able to spend only Rs 3,64,000. That was because it was the first year when the Board was instituted. Broadly speaking the idea of the scientific and industrial research is to harness all the available industrial research workers in the country, to get their experience pooled and to set them on such kinds of research work as each of them or groups of men may be most capable of doing. The Board of scientific and industrial research gets once every quarter applications for grants either for scholarships or stipends to scientists or for grants for appliances, plant, machinery required, chemicals and so on, and it scrutinises the whole of these applications—about 200 applications are received every quarter—takes up these researches which are most promising, rejects those applications on which research has already been done or with reference to which there is no need for further research and then puts these proposals before the Board of scientific and industrial research. A small committee of that Board then scrutinises further these applications, selects the kind of research that should be undertaken and with reference to the applications made by the various scientists recommends the amount that should be given either by way of scholarship or for plant and appliances as are necessary. Then the award is made to those scientists who work under the supervision of a research committee with reference to each kind of research. Then a certain number of researches of one kind are grouped under one research committee, other researches under another committee and these research committees in their turn are composed of the most eminent scientists in India drawn from various places and the members of these committees watch the progress of research that is being made by individual scientists who have applied and got a grant from the Government. For instance to mention only a few research committees that have been established the vegetable oil committee, the fertilisers committee, the drugs committee, the cellulose research committee, the scientific instruments committee, the sulphur committee, the graphite carbon and

[Diwan Bahadur Sir A. Ramaswami Mudaliar.]

electrode committee, the molasses committee, the glass and refractories committee, the vegetable dye committee, the fuel research committee and in addition to that at the last meeting, three very important committees have been constituted regarding heavy industries and so on—the internal combustion committee, among others

Dr. P. N. Banerjea: But the grants are very small for these

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The grants are proportionate to the demands that have been made and the grants are recommended by the scientists themselves on these committees who know best how much is required and what amount can easily be expended during the year. The recommendations of these Committees come up before the Government and the Government finally approve these recommendations and I can say with confidence that, virtually, in ninety-nine per cent of the cases the Government have so far found themselves in a position to accept the recommendations made by these technical bodies. These technical bodies must be in a position to judge what is required by these various scientific research scholars. It is on this basis that this Board is working. I have myself very high hopes of this Board. I have taken keen personal interest in the working of this Board, certain discoveries have already been made which are capable of industrial utilisation and that is why the Government have constituted what is called the Industrial Research Utilisation Committee whereby enterprising industrialists can take advantage of the research and put it on the market as an industrial concern. About eight items of such research have so far been found mostly at Alipore Test House by the scientists under the direct control of the Government of India and the Director, Dr. Bhattacharya, has prepared pamphlets of these researches and by the end of this month I hope to have them circulated to various Chambers of Commerce and industrialists and invite applications from those industrialists to exploit these researches. Those applications are going to be considered at a meeting of the Industrial Research Utilisation Committee which has been convened for 12th May and as a result of that consideration I believe these industrialists will take advantage of these researches. I may say that Government have already received offers from individual industrialists agreeing to pay certain royalty, agreeing to found scholarships for research scholars if some of these researches with patent rights are handed over to them. The question is one of selection of the proper industrialists and there Government hope to be guided by the recommendations of the Industrial Research Utilisation Committee. Sir, I feel that this is a most promising committee that has come out of the war and it is my hope that we may find a justification for continuing this Board.

Sir Cowasji Jehangir: Sir, I want to make one suggestion and that is that after the remarks made by my Honourable friends behind the Finance Member will keep a double look-out on the expenditure of the Board.

Mr. M. S. Aney: Sir, I should like to know whether this Industrial Research Board would like to work in co-ordination with the National Planning Committee with which certain Provincial Governments were co-operating for some time.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The recommendations of the National Planning Committee are not before me. Its report has not yet been received and I understand it is still under preparation. But so far as I have followed it it is entirely on a different basis from the purely research side of the work which this Board is undertaking. The National Planning Committee did not plan research. This is working in co-operation with the universities and scientific bodies in this country.

Pandit Lakshmi Kanta Maitra: Has any new industry been brought into being as a result of the researches?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Certain industries have been brought into being, specially industries for war purposes. The results of the investigations have been given over to the Supply Department and through the Supply Department these industries have been brought into existence. For instance, anti-gas cloth is one of the things that are being manufactured in this country. I do not want to go into more details for obvious reasons.

Mr. President (The Honourable Sir Abdur Rahim): The question is "That a supplementary sum not exceeding Rs 3,54,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Scientific and Industrial Research'."

The motion was adopted.

DEMAND No 47—AVIATION.

The Honourable Sir Jeremy Raisman: Sir I move

"That a supplementary sum not exceeding Rs 24,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Aviation'."

Mr. President (The Honourable Sir Abdur Rahim): Motion moved

"That a supplementary sum not exceeding Rs 24,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Aviation'."

There is a cut motion in the name of Mr Chattopadhyaya who wants to discuss the manufacture of aeroplanes in India.

The Honourable Sir Andrew Clow: Sir, I submit that the motion is entirely out of order. In this demand there is nothing relating to the manufacture of aeroplanes.

Mr. President (The Honourable Sir Abdur Rahim): This motion cannot be moved.

Mr. Amarendra Nath Chattopadhyaya: Sir, I will not speak on the cut motion, but on the general question. In the morning papers every day we find with regard to the manufacture of aeroplanes in India.

The Honourable Sir Andrew Clow: I submit, Sir, this is still out of order. The Honourable Member does not become in order by not moving his motion.

Mr. President (The Honourable Sir Abdur Rahim). The Honourable Member must continue himself to the subjects included in this demand.

Mr. Amarendra Nath Chattopadhyaya: I want to know what arrangements have been made for aviation in India. Our young men should be trained but without aeroplanes this training is of no use. Consequently, when we speak of training our young men for piloting we also have to think of the manufacture of aeroplanes in India.

Mr. President (The Honourable Sir Abdur Rahim) That is a different proposition. This demand is confined to the training of pilots.

Mr. Amarendra Nath Chattopadhyaya: The training of our young men depends on the possibility of having aeroplanes in India.

Mr. President (The Honourable Sir Abdur Rahim). The Honourable Member cannot go into that question on this motion.

Mr. Amarendra Nath Chattopadhyaya: I request the Honourable the Communications Member to give us an idea of the present position with regard to aviation in India.

Dr. P. N. Banerjee: Sir, I strongly support this demand, but I wish to ask what Government have so far done in order to make the people of India air-minded. Aviation is a very important thing at the present moment. Not only is military aviation important for the purposes of defence but civil aviation may be regarded as the handmaid of defence aviation. In that view of the thing it is absolutely necessary that the people of India should be made air-minded. Some time ago, an institute known as the Gliding Institute was started by a friend of ours who is, unfortunately, no longer in the land of the living. That institute did not receive any support from Government and its activities had to come to an end.

The Honourable Sir Andrew Clow: Sir, I submit this is not in order. The grant is asked for a specific purpose which has been specified.

Mr. President (The Honourable Sir Abdur Rahim). The Honourable Member is not in order in dealing with the Gliding Institute. He must confine himself to the items mentioned in this demand.

Dr. P. N. Banerjee: What I want Government to do is to encourage civil aviation to extend better than it has done in the past.

Mr. President (The Honourable Sir Abdur Rahim). The question here is whether any amount should be granted for the particular purpose for which it has been asked.

Dr. P. N. Banerjee: I do not object to the amount being granted. I would gladly agree to a larger amount but Government should take proper steps to make the people air-minded.

Maulvi Muhammad Abdul Ghani: Sir, I find there is money for grant-in-aid to flying clubs and the Delhi Flying Club must be one of them. I understand that sometime ago Muslim candidates were selected for emergency Commissions in the air force and 8 of them were entrusted to the Delhi Flying Club for training. But the club was so unsympathetic towards them that it turned them out one after another. On this ground I consider that the grant given to the club is not justified as it is anti-Muslim.

The second point is that the grant to the Patna Flying Club is very inadequate and I think this amount should be increased.

Pandit Lakshmi Kanta Maitra: Sir, with reference to this demand, I should like to know from the Honourable the Communications Member whether the scheme of having 2,000 trained mechanics a year has already been put into operation, and, if so, what is the stage of the development of that scheme. I find the demand is intended for training 300 pilots and 2,000 mechanics a year. At the same time there is an indication in the note that this training period will be spread over a period of two years. There is no indication in the foot-note whether Government have decided on any definite progressive policy of increasing year by year the number of pilots as well of trained mechanics. It is also necessary for the Honourable Member to inform this House whether the pilots who are going to be trained up will require training for a period of two years or less. Secondly, whether the ancillary services such as those of ground engineers are also included,—whether special training is going to be given under this head to our young men to have a thorough knowledge in aeronautical engineering. It is equally necessary to have, along with this training in aerial geography. This is a demand which I think is a very important one, and I would not grudge the Government a larger amount if Government provided the full machinery by which will be ensured an increasing flow of trained mechanics, trained pilots and trained ground engineers who will be able to take charge of the aviation service of this country. The facilities which were available to this country for having training in civil aviation were so meagre and were so costly that since 1936, when we voted in this House a sum of Rs 90 lakhs for the development of civil aviation in the days of Sir Frank Noyce, we have not got many pilots or ground engineers. War has necessitated a new programme of accelerated activity in this direction and I want to know from my Honourable friend, the Communications Member, whether full facilities are given to our young men to be enrolled as recruits from all provinces, whether his department has got branches in different parts of India to impart the training, whether he has seen to it that the cost of receiving this training has been minimised and whether steps have been taken by the Government to make civil aviation in this country popular so as to attract our young men to it as a career to take to. Sir, I hope my friend will give full information in his reply. Sir, I support the demand.

Pandit Nilakantha Das: Sir, the Standing Finance Committee's Report of the 9th September, 1940, says at page 11—

"Candidates for both categories of training will be selected by regional selection boards set up for the purpose on which the Director of Civil Aviation in India and the Air Forces will be represented, and on selection, will be required to sign an

[Pandit Nilakantha Das.]

undertaking to serve in the Air Forces if called upon to do so. No guarantee of enrolment in the Air Forces will be given, but it is anticipated that a large percentage of the trainees who successfully complete the training will be absorbed."

And on the next page it says.

"It is hoped to commence the training not later than the 1st December next."

Thereby perhaps is meant the 1st December, 1940. For about four months, therefore, this has been in existence. The Honourable Member will perhaps admit that this number of 300 pilots and 2,000 mechanics is very inadequate. However, I should like to know whether this institution, under any denomination, is going to be permanent and retained after the war. The second point is, how this selection of candidates by the regional boards is going to be made from different provinces and how these regional boards have been formed, what qualifications are required of the trainees and how students are being helped and in what number and to what extent in their training. On all these points I should like to have some information. It is a very necessary organisation and every one should support it and we should see that it grows.

Mr. President (The Honourable Sir Abdur Rahim) The Chair does not know if the Honourable Member wishes to reply now.

The Honourable Sir Andrew Clow: I think I will take some little time to reply.

The Assembly then adjourned till Eleven of the Clock on Saturday, the 29th March, 1941.

LEGISLATIVE ASSEMBLY.

Saturday, 29th March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

MEMBER SWORN

Mr Bertie Munro Stang, C S P, M L A (Financial Commissioner for Railways)

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

PAUCITY OF MUSLIMS IN THE STAFF OF THE IMPERIAL VETERINARY RESEARCH INSTITUTE

527. *Nawab Siddique Ali Khan (on behalf of Sir Syed Raza Ali) (a) With reference to the information supplied by Government and printed at pages 1105 and 1106 of the Legislative Assembly Debates, Volume V, in answer to starred question No 141, asked in this House on the 18th November, 1940, regarding paucity of Muslims in the staff of the Imperial Veterinary Research Institute, will the Education Secretary please state how the percentage of Muslims employed in "clerical staff", "other staff" and "farm staff" rose from "12.1", "nil" and "16.6" in 1938 to "16.6", "50" and "28 1" respectively, in 1934 when no Muslim was appointed in 1934 or 1935?

(b) Does the veterinary staff consist of two classes of officials, namely, veterinary inspectors and dressers, or is there any other class too? What are the scales of pay of each class?

(c) Is it true that all the Muslims in the veterinary staff are employed as dressers? If so, what steps do Government propose to take to appoint an adequate number of Muslims to posts of veterinary inspectors?

Mr. J. D. Tyson: (a) Details of the changes which occurred in the communal composition of the staff employed at the Imperial Veterinary Research Institute between April, 1938 and 1934 are being obtained and will be supplied to the House when available

(b) The veterinary staff consists of veterinary inspectors and dressers only. A statement showing the scales of pay of these classes is laid on the table.

(c) I would refer the Honourable Member to the information supplied in answer to part (b) of Haji Chaudhury Muhammad Ismail Khan's starred question No 149 asked on the 18th November 1940.

Posts and Designation	Old rates of pay		Revised rates of pay.	
	Rs	Rs	Rs	Rs
Senior Veterinary Inspector	250—10—350		200—8—280	
Veterinary Inspector				
Senior Dresser	. 50—2—60	. .	. 45—2—55	
Dresser	40—2—50	. .	35—1—45	

Sir Syed Raza Ali: Will the Honourable Member please answer the last part of (e),—namely, if so what steps do Government propose to take to appoint an adequate number of Muslims to posts of Veterinary Inspectors?

Mr. J. D. Tyson: There are four out of fifteen at the present moment. That is more than the quota.

PAUCITY OF MUSLIMS IN THE STAFF OF THE IMPERIAL VETERINARY RESEARCH INSTITUTE

528. *Nawab Siddique Ali Khan (on behalf of Sir Syed Raza Ali). (a) With reference to the answer to starred question No 144, asked on the 18th November, 1940, regarding paucity of Muslims in the staff of the Imperial Veterinary Research Institute, will the Education Secretary please state whether the rule with regard to educational qualifications was in force at the Imperial Veterinary Research Institute in the matter of recruitment for clerical posts before 1930?

(b) If the answer to part (a) be in the negative, will Government please state in which year the rule came into force, and also state why it was not enforced earlier?

(c) If the answer to part (a) be in the affirmative, why were non-Muslim non-Matriculates preferred to Muslim Matriculates? Was any effort made, and if so what, to recruit for these seven posts men possessing proper educational qualifications?

(d) Can the Education Secretary please state whether seven Muslims without possessing the prescribed educational qualifications were permanently appointed to any section or office under the Department of Education, Health and Lands within living memory?

(e) Did the officer or officers responsible for the appointment of the seven non-Muslim non-Matriculates apply to the Government of India

for exempting them from the rule with regard to educational qualifications? If so, what orders did the Government of India pass?

Mr. J. D. Tyson: (a) and (b) Government are not aware of the existence of any rule prescribing minimum educational qualifications for recruitment to clerical posts at the Imperial Veterinary Research Institute

(c)—(e) Do not arise

Sir Syed Raza Ali: May I know, Sir, whether it is a fact that, so far as the clerical establishment is concerned, it is open to the head of the office in that Department to appoint a non-matriculate to a post carrying a salary of Rs. 150 a month?

Mr. J. D. Tyson: So far as I know, there is no rule against it

Sir Syed Raza Ali: Do Government, as a matter of policy, consider that it is a sound and right policy to pursue?

Mr. J. D. Tyson: That is asking for a matter of opinion, I think

Sir Syed Raza Ali: I am asking my friend on a question of policy, and not opinion?

Mr. Govind V. Deshmukh: May it not be that this man is getting his salary because of his efficiency?

(No reply)

Mr President (The Honourable Sir Abdur Rahim) Next question

STARTING OF AN INDIAN SHIP-BUILDING YARD

529. *Mr. Akhil Chandra Datta: Will the Honourable the Commerce Member be pleased to state if any project for the establishment of a ship-building yard and building modern ships in that yard, has been started in India and if so, who has started that project?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: With your permission, Sir, I propose to reply to questions Nos 529, 530, 531 and 535 together and would refer the Honourable Member to paragraph 8 of the Commerce Department press communiqué, dated the 16th December, 1940, copies of which are in the Library

STARTING OF AN INDIAN SHIP-BUILDING YARD

+530. *Mr. Akhil Chandra Datta: With reference to the statement made by Sir Alan Lloyd in the Council of State on the 29th November, 1940 that

"Government are not proposing to encourage actively the merchant shipbuilding industry in India as part of their war effort"

will the Honourable the Commerce Member be pleased to state whether Government have reconsidered their position and whether the building of

[†] For answer to this question, see answer to question No 529.

ships in India, under the present circumstances, is considered by them as war effort and whether they are prepared to look upon the establishment of the proposed shipbuilding yard as such? If not, why not?

STARTING OF AN INDIAN SHIP-BUILDING YARD

†531. *Mr. Akhil Chandra Datta: With reference to the statement made by Mr Ronald Cross, the British Minister of Shipping in August last that he would welcome all efforts for building ships in "the shipyards of the Dominions and elsewhere" and the appeal made by Admiral Fitzherbert last year that 'the sooner a shipbuilding industry is started the better for India', will the Honourable the Commerce Member be pleased to state what steps the Government of India have taken, or propose to take, to help the establishment of a shipbuilding yard in India and to secure for that yard all facilities for building modern ships in that yard?

STARTING OF AN INDIAN SHIP-BUILDING YARD

532. *Mr. Akhil Chandra Datta: Is the Commerce Member aware of the extreme shortage of shipping tonnage experience for the import and export trade of the country and that merchant shipping plays a very important part in the defence of the country during a war? Will the Honourable the Commerce Member be pleased to state what steps the Government of India have taken or propose to take to remove the shortage of shipping and whether they are prepared to help all projects for building ships in India?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The reply to the first portion is in the affirmative. As regards the second portion, the Government of India are in constant communication with the Ministry of Shipping Agents to ensure the best utilisation of the available shipping, but in war time such utilisation must depend on the priority assigned to various commodities.

STARTING OF AN INDIAN SHIP-BUILDING YARD

533. *Mr. Akhil Chandra Datta: (a) Will the Honourable the Commerce Member be pleased to state if the Scindia Steam Navigation Company has requested the Government of India (i) to use their good offices with His Majesty's Government for importing technicians for its shipbuilding yard from the United Kingdom, and (ii) for importing the shipbuilding machinery necessary for its shipbuilding yard from the United Kingdom?

(b) If the answer to part (a) be in the affirmative, will he be pleased to state what action Government have taken in connection with these requests and whether they have impressed upon His Majesty's Government that they consider the establishment of this shipbuilding yard and the building of ships therein as quite essential for India and as a part of India's war effort? If not, why not?

[†] For answer to this question, see answer to question No 529

The Honourable Sir Muhammad Zafrullah Khan: (a) Yes

(b) The Government of India have been in correspondence with His Majesty's Government on the subject but they are not prepared to disclose the nature of their recommendations

PROPOSAL OF THE SCINDIA STEAM NAVIGATION COMPANY FOR TRANSFERRING A SHIP-BUILDING YARD FROM UNITED KINGDOM TO INDIA

†534. ***Mr. Akhil Chandra Datta:** (a) Will the Honourable the Commerce Member be pleased to state if the Scindia Steam Navigation Company requested the Government of India to use their good offices with His Majesty's Government for enabling them for the bodily transfer of a shipbuilding yard from the United Kingdom to India and whether the Scindia Company gave an undertaking that they were prepared to place the ships, being built in that yard during the period of the war, at the disposal of His Majesty's Government on reasonable terms?

(b) If the answer to part (a) be in the affirmative, will the Honourable Member be pleased to state what steps Government took, or propose to take, in connection therewith?

The Honourable Sir Muhammad Zafrullah Khan: (a) The answer to the first part of the question is that this suggestion was considered as one method of enabling the Scindia Company to start its ship-building project in India. The answer to the second part is that the Company wanted Government to charter half the ships to be built, for the period of the war.

(b) The suggestion was considered in consultation with His Majesty's Government who are not prepared to accept it

GOVERNMENT POLICY TOWARDS SHIP-BUILDING INDUSTRY IN INDIA

†535. ***Mr. Akhil Chandra Datta:** Will the Honourable the Commerce Member be pleased to state the present policy of the Government of India towards the establishment of the shipbuilding industry in this country and the extent to which they are prepared to help the project of the Scindia Company for establishing its shipbuilding yard and help that Company in securing all the facilities that it needs for starting building of ships in that yard?

LICENSING OF RICE IMPORT BY MAURITIUS GOVERNMENT AND DISTRIBUTION OF FREIGHTS BY BRITISH INDIA STEAM NAVIGATION COMPANY

§536. ***Mr. Lalchand Navalrai:** (a) Is the Honourable the Commerce Member aware that the Colonial Government of Mauritius has regulated its importation of rice by means of a licensing system?

(b) Are Government aware that the only shipping company operating between India and Mauritius is the British India Steam Navigation

† Answer to this question laid on the table, the questioner having exhausted his quota.

‡ For answer to this question, see answer to question No. 529.

§ Answer to this question laid on the table, the questioner being absent.

Company, Limited, and that Company is disregarding the import license granted by the Government of Mauritius in its distribution of freights?

(c) If the answer to part (b) be in the affirmative, what do Government propose to do to ensure inter-control between import licenses granted by Mauritius Government and the distribution of freights by the shipping company?

(d) Is it a fact that the Colonial Government of Mauritius has intimated the Indian Government of their system of import and requested the Government to co-ordinate it with freights distributions here?

(e) If the answer to part (d) be in the affirmative, what do Government propose to do to enable the importers to import rice according to their import licenses?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (a) Yes[†]

(b) Government understand that the distribution of space among exporters by the shipping company is made on the basis of past shipments of general cargo while licences are granted in Mauritius to each importer on the basis of the quantity of rice imported by him during 1940.

(c) and (e) The question of correlating the procedure for the distribution of freight space in India with the import licensing system in Mauritius is under correspondence with the Shipping Controller

(d) Yes

ORDER OF THE NEW DELHI MUNICIPAL COMMITTEE RE KEEPER'S CONTROL OVER BARKING OF DOGS

1537. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Secretary for Education, Health and Lands be pleased to state the text of the order passed by the New Delhi Municipal Committee under the signature of the Secretary of the said municipality on the 8th March, 1941, in relation to owners and keepers of dogs keeping their dogs under control so that their barking might not create disturbance to the sleep of residents of New Delhi, breach of which would be punishable under section 147 of the Punjab Municipal Act?

(b) Was there any petition signed by many residents of New Delhi submitted to the said municipality? If so, will the Honourable Member lay it on the table?

(c) Has any owner or keeper of dogs been prosecuted under the above section? If so, what penalty was adjudged in his case?

(d) If the penalty be in the shape of fine, what was the minimum and the maximum amount realised?

(e) Will the Honourable Member be pleased to lay on the table a list of all persons prosecuted, giving details of fines realised?

(f) Will this order be used as an ordinance, or will regular evidences be adduced and admitted by Court to try such prosecutions?

[†] Answer to this question laid on the table, the questioner being absent

(g) Will such prosecutions be dealt with summarily and no appeal shall lie against punishments?

(h) Will this measure remain as a war-measure, or will it be used as a permanent civic-measure against owners and keepers of dogs and dogs themselves?

(i) Where there any petitions submitted by any number of people residing in New Delhi, whose sleep has been disturbed by barking of dogs at night, and if not will the Honourable Member be pleased to state what led the New Delhi Municipality to take such steps all of a sudden against owners and keepers of dogs in New Delhi?

Mr. J. D. Tyson: (a) A copy of the order referred to by the Honourable Member is laid on the table of the House.

(b) and (i) No general petition was received, but complaints with regard to the barking of dogs at night in various localities were made by individuals from time to time on the telephone and by letter.

(c), (d) and (e) Nineteen prosecutions have been launched. So far orders have been passed in one case, in which a fine of Rs. 10 was imposed, the other cases are pending.

(f), (g) and (h) The action has been taken under the ordinary municipal law, and the trials will be conducted accordingly. There is no question of any Ordinance or special war measure.

Order

All keepers and owners of dogs in New Delhi are hereby ordered to keep their dogs under such control and inside such enclosed space at night, so that their barking be not a cause of interference with the sleep of residents of New Delhi. Breach of this order may be punishable under section 147 of the Punjab Municipal Act, 1911.

†538*.

CERTAIN APPOINTMENTS MADE IN THE CENTRAL PUBLIC WORKS DEPARTMENT.

539. *Bhai Parma Nand: Will the Honourable the Labour Member please state the number of appointments made in the Central Public Works Department, including the Provincial Circle, during the four years ending December 1940?

- (i) in the clerical and other classes of regular establishment, and
- (ii) on the work charged establishment to the posts carrying pay in excess of Rs. 20 per mensem?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I regret that I cannot undertake to collect the information asked for by the Honourable Member as it would involve an amount of time and labour disproportionate to the result.

+ This question was withdrawn by the questioner

WIREMEN IN THE ELECTRICAL AND PROVINCIAL DIVISIONS, CENTRAL PUBLIC WORKS DEPARTMENT

540. *Bhai Parma Nand: (a) Will the Honourable the Labour Member please state whether any circular letter was issued in the Public Works Department in August 1940, laying down that in future none but licensed persons would be recruited to the post of wireman in the Electrical and Provincial Divisions?

(b) If the reply to part (a) be in the affirmative will the Honourable Member please state

- (i) the number of unlicensed wiremen appointed subsequent to the issue of the circular letter in question, and
- (ii) the number of unlicensed wiremen whose pay was increased after August 1940, and the amount by which it was increased in each case?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) A circular was issued by the Central Public Works Department in December, 1940, directing that all new recruits to the Department should possess the certificates of competency required under the local Electricity Rules

(b) The information is being collected and will be laid on the table of the House in due course

GRANT OF CONVEYANCE ALLOWANCE TO MEMBERS OF THE WORK-CHARGE ESTABLISHMENT, CENTRAL PUBLIC WORKS DEPARTMENT

541. *Bhai Parma Nand: With reference to the reply to starred question No 185 of the 26th February, 1941, regarding work-charged staff in the Central Public Works Department, will the Honourable the Labour Member please state the amount of cycle or conveyance allowance included in the pay of the various classes of the work-charged staff?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It is not practicable to specify exactly the amount included in the pay of the members of the work-charged staff on account of cycle or conveyance allowance

DECLARATIONS OF PROPERTIES OWNED BY EMPLOYEES OF THE CENTRAL PUBLIC WORKS DEPARTMENT

542. *Bhai Parma Nand: Will the Honourable the Labour Member please state

- (a) whether every Government servant in the Central Public Works Department (including the Provincial Circle) has made to the Government through the usual channel, a declaration of all immoveable property held or acquired, from time to time, by him or by his wife or by any member

of his family living with or in any way dependent upon him, and if so, whether the Honourable Member will please lay on the table a consolidated statement of all such properties with full particulars, showing therein the pay drawn from time to time by and length of service of, each such Government servant, the value of each property acquired by each individual while in the service of the Government, where each property is situated and how it is being utilized now, and whether the same was constructed or acquired by obtaining advance of any kind from Government.

- (b) whether steps have ever been taken to enquire from the Municipalities and the Revenue Officers concerned what properties are owned in their jurisdictions by the Central Public Works Department employees and if not, whether the advisability of taking such steps will be considered,
- (c) how the values of the properties owned by the employees of the Central Public Works Department compare with those owned by Government servants employed in the Government of India Secretariat and other attached offices, drawing equal pavs, and
- (d) whether Government servants domiciled in Asia are prohibited from acquiring immoveable properties in India and if so, whether such servants of the Central Public Works Department do not hold any properties, but if they do, what is the value of each such property?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: (a) The answer to the first part of the question is in the affirmative. The declarations are made with reference to the Government Servants' Conduct Rules, and Government do not consider it desirable in the public interest to publish in this House or elsewhere the declarations made under these rules by officials serving in the Central Public Works or any other Department

- (b) No It is open to the head of a Department to make necessary enquiries, if he so desires, in any particular case
- (c) No comparison of the kind suggested has been made
- (d) No The second portion does not arise

COMMUNAL COMPOSITION OF STAFF OF THE HORTICULTURAL DIVISION, CENTRAL PUBLIC WORKS DEPARTMENT

543. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Labour Member please lay on the table a detailed statement showing the number of employees belonging to different communities working in different branches of the Horticultural Division, including accounts and correspondence branches, draftsmen, outdoor subordinates and chaudhris?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar A statement is laid on the table

Statement showing the number of employees belonging to different communities working in different branches of the Horticultural Division, Central Public Works Department, New Delhi;

Community.	No of Correspondence Clerks including Head Clerk		
	Permanent.	Temporary.	Total
<i>Correspondence Branch—</i>			
Hindus	2	2	4
Muslims	2	.	2
Total			6
<i>Accounts Branch—</i>			
Hindus	8		8
Sikhs	2		2
Total			10
<i>Drawing Branch—</i>			
Hindus	1	1	2
<i>Horticultural Subordinates—</i>			
Hindus	4		4
Muslims	2		2
Sikh	1	..	1
Total			7
<i>Executive Subordinates—</i>			
Hindus	2		2
<i>Labour Verifier—</i>			
Hindu	1		1
<i>Supervisor, Irrigation Water Supply</i>			
Muslim	1		1
<i>Forest Ranger—</i>			
Muslim	1		1 (on deputation from the Punjab Government)
<i>Garden Chowdharies (Regular Establishment)—</i>			
Community	Permanent.	Temporary	Total
<i>I Grade</i>			
Hindus	4		4
<i>II Grade—</i>			
Hindus	2		2
Muslims	2		2
Total			4
<i>III Grade.</i>			
Hindus	2		2
Muslim	1		1
Total			3
<i>Gardens Chowdharies</i>		Work Charged Establishment Nos	
Hindus	.	46	
Muslims	.	15	
Sikh	.	1	
Christians	.	2	
Total		64	

**COMMUNAL COMPOSITION OF CONTRACTORS OF THE HORTICULTURAL DIVISION,
CENTRAL PUBLIC WORKS DEPARTMENT.**

544. *Khan Bahadur Shaikh Fazl-i-Haq Piracha: Will the Honourable the Labour Member please state the number of contractors belonging to different communities who are working in the Horticultural Division and the amount of work each one of them has done during this year?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: A statement is laid on the table

Statement showing the Number of Contractors belonging to different Communities who have worked in the Horticultural Division, Central Public Works Department, during the year 1940 £1 with the amount of work awarded to each Community

Name of Community	Number of contractors	Amount of work Rs
Hindu	11	66,433
Muslim	2	5,202
Sikh	3	4,328

MUSLIMS IN HIGHER POSTS OF THE GOVERNMENT OF INDIA PRESS, NEW DELHI.

545. *Maulvi Muhammad Abdul Ghani (on behalf of Maulana Zafar Ali Khan). (a) Will the Honourable the Labour Member please state the total number of higher posts, *rīz*, Head Assistant, Assistants, Accountant, General Storekeeper, Head Computer, Cashier and Estimator in the office of the Government of India Press New Delhi? How many of them are held by Muslims?

(b) Is it not a fact that the percentage of Muslims in the higher posts is already very low in the clerical staff which will further diminish by the retirement of the present Muslim Head Assistant?

(c) Is the Honourable Member prepared to assure this House that the post of Head Assistant will be filled up by a suitable Muslim officer? If not, why not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (a) The total number of the higher posts in the Government of India Press, New Delhi, mentioned by the Honourable Member, is ten, of which two are held by Muslims

(b) The existing proportion of Muslims in the posts mentioned works out to 20 per cent which I am unable to regard as very low. The retirement of the present Muslim Head Assistant will reduce that percentage

(c) No. The post is a selection post and an assurance to appoint a Muslim would not be in conformity with the existing rules regulating the filling of the post

Maulvi Muhammad Abdul Ghani: The question is about a suitable Muslim Officer. If a suitable Muslim Officer is available, may I know if the Government will entertain him or not?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar If a suitable Muslim officer is available, his case will be considered

ALLAHABAD HIGH COURT JUDGMENT CONCERNING EXPROPRIATION WITHOUT COMPENSATION OF BUILDING SITES UNDER THE UNITED PROVINCES TOWN IMPROVEMENT ACT

†546. ***Pandit Lakshmi Kanta Maitra:** (a) Will the Education Secretary please state whether the attention of Government has been drawn to a full Bench decision of the Allahabad High Court, reported in 50 Allahabad, 470, laying down that under the United Provinces Town Improvement Act the owner of a valuable building site which may be lying vacant, is liable to be expropriated without compensation and that such an enactment is fraught with much possible hardship to owners of property which has become subject to the operations of the Act?

(b) If so, are Government prepared to amend the law and substitute a more equitable basis of compensation?

Mr. J. D. Tyson: (a) Yes

(b) The observation quoted was made in 1928. Since then the Act has been in operation in Cawnpore, Lucknow, and Allahabad, and the Government of the United Provinces have not found it necessary to make any modification on the lines suggested. Government, therefore, at present see no need to change the form of the Act as applied to Delhi.

DISSATISFACTION AGAINST THE CONSTITUTION AND PROCEDURE OF THE TRIBUNAL CONSTITUTED UNDER THE UNITED PROVINCES TOWN IMPROVEMENT ACT

†547. ***Pandit Lakshmi Kanta Maitra:** Will the Education Secretary please state whether Government are aware that the Tribunal constituted under the United Provinces Town Improvement Act is a predominantly official body and the land-owners are dissatisfied by its constitution and procedure and feel further aggrieved by the omission of provisions as regards right of appeal to the High Court which are provided in the United Provinces Land Improvement Act?

Mr. J. D. Tyson: Government are not aware of the dissatisfaction mentioned. The Tribunal in Delhi, to which the Honourable Member presumably refers, consists of the District Judge of Delhi as Chairman, one non-official and one retired official. Government have under consideration the question of extending to Delhi the provisions of the United Provinces Town Improvement (Appeals) Act, 1920.

BUILDING PLANS SANCTIONED BY THE DELHI IMPROVEMENT TRUST

†548. ***Mr. Amarendra Nath Chattopadhyaya:** (a) Will the Education Secretary please state the number of building plans which were sanctioned by the Delhi Improvement Trust since 1st January, 1940, on first application and without attaching any proviso or conditions to such sanctions?

(b) How many building plans were sanctioned subject to any conditions on first application?

(c) In how many cases were the lessees required to submit the building plans for the second time and were then sanctioned with or without any conditions?

†Answer to this question laid on the table, the questioner being absent

(d) In how many cases were such plans required to be submitted for the third and fourth time and then sanctioned?

(e) Is he further aware that the building plans prepared by one of the two draftsmen of the Building section of the Trust are sanctioned at once, or without creating any trouble?

(f) Is he aware that there is a general grievance against the Trust and people actually repent for having purchased land or a building under the Trust?

(g) In view of the attitude taken up by the Building Inspector or his section, are Government prepared to appoint more draftsmen to prepare plans for the public and charge a nominal fee only from the public for credit to the Trust?

(h) Does he propose to set up an independent enquiry into the working of the Building section in order to set matters right and place the report before the House? If not, why not?

Mr. J. D. Tyson: With your permission, Sir, I shall answer questions Nos 548 and 549 together. The information has been called for and a reply will be furnished to the House when it is received.

CASE AGAINST ONE MR. MUL CHAND BY THE DELHI IMPROVEMENT TRUST

†549. ***Mr. Amarendra Nath Chattopadhyaya:** (a) Is the Education Secretary aware that one, Mr. Mul Chand was proceeded against by the Delhi Improvement Trust for certain deviations in his building and fined Rs 25 by the court?

(b) Is he aware that the said Mr. Mul Chand appealed to the High Court against these orders?

(c) Is he further aware that the High Court set aside the punishment and ordered the refund of money realized from him as fine?

(d) Is he further aware that this is the only case in which the defendant went up to the High Court and the same has been decided against the Trust?

(e) What is the percentage of convictions in the cases sent up for trial during the last two calendar years?

(f) Does he propose to have all the cases reviewed by an independent enquiry to find out how far the Building section has been responsible for unnecessary proceedings against the public? If not, why not?

PROCEDURE FOR DISPOSAL OF THE DELHI IMPROVEMENT TRUST PLOTS OF LAND

†550. ***Mr. Amarendra Nath Chattopadhyaya:** (a) Is the Education Secretary aware that the land under the Delhi Improvement Trust is either granted on lease by or on the recommendation of Mr Om Prakash Gupta, Lands Officer of the Trust? If not, who settles the business on behalf of the Trust regarding the sale of the land?

† Answer to this question laid on the table, the questioner being absent
‡ For answer to this question, see answer to question No 548

(b) Under what conditions and at what price have the plots of lands been recently given in Darya Ganj to the following gentlemen

(1) Mr Gupta, Municipal Engineer, Delhi,

(2) Mr Hanuman Pershad Gupta, Municipal Commissioner and a Trustee of the Delhi Improvement Trust, and

(3) Mr A C Gupta, Executive Engineer, North Western Railway?

(c) Is he aware that some people had offered to pay much more or almost double the rate than that for which those plots have been given to these gentlemen? If not is he now prepared to sell them by public auction? If not, why not?

(d) What were the other offers, and why were all these rejected in favour of the above mentioned gentlemen?

(e) What were the reasons for the departure from the usual procedure regarding the disposal of land and why did the Lands Officer not invite tenders in these cases and did not sell the land to the highest bidders and why were these not sold through their agents?

(f) Is he prepared to institute an enquiry in order to find out similar kind of cases and the circumstances in which such sales were made by the Lands Officer?

(g) What steps does the Honourable Member propose to take to see that the disposal of land is done by public auction and not as mentioned above?

Mr. J. D. Tyson: (a) No. The Chairman makes recommendations, which are put up to the Board for final orders.

(b) The plots have been leased, under the conditions specified in the standard lease deed, at Rs 10 per square yard in each case.

(c) and (d) The premium was accepted in each case at the market rate fixed by the Trust. No other offers were received up to the time of acceptance.

(e) There was no departure from the usual procedure.

(f) and (g) Government see no reason to institute a special enquiry or to alter the existing procedure.

FACILITIES FOR DIRECT DEALINGS WITH THE CHAIRMAN OF THE DELHI IMPROVEMENT TRUST

| 551. ***Mr. Amarendra Nath Chattopadhyaya:** (a) Is the Education Secretary aware that people including very respectable men who come to see the Chairman of the Delhi Improvement Trust, are first made to see the personal assistant who is only a junior assistant of the Secretariat, who allows or refuses the people to see the Chairman?

(b) Has the Trust ever considered the desirability of appointing a gazetted officer, or someone with higher standing, to deal with the public, or to change the present procedure by allowing the public to have direct dealings with the Chairman rather than a clerk—his personal assistant? If not, why not?

Mr. J. D. Tyson: (a) Government have no reason to believe that the Chairman is not available for interviews with gentlemen who call during

interview hours or who make appointments with him. The Personal Assistant is not authorised either to grant or refuse interviews with the Chairman.

(b) Does not arise

PROVISION OF FACILITIES IN THE PARKS IN KAROL BAGH, DELHI.

***552. *Mr. Amarendra Nath Chattopadhyaya:** (a) Is the Education Secretary aware that although the Delhi Improvement Trust have provided some parks in Karol Bagh, yet neither benches nor light have so far been provided in such parks for the convenience or use of the public?

- (b) Is he aware that no grass has yet been grown in these parks?
- (c) How long does the Trust intend to take to provide such facilities with which it is concerned?

Mr. J. D. Tyson: (a), (b) and (c) The provision of benches and lights in the park will be considered by the Trust as soon as possible. There is only one park in the Karol Bagh area. Grass was laid in it before the last monsoon.

OPENING OF THE PUBLIC LATRINES BUILT IN KAROL BAGH, DELHI

***553. *Mr. Amarendra Nath Chattopadhyaya:** (a) Is the Education Secretary aware that the public latrines provided by the Delhi Improvement Trust in Karol Bagh about two years ago have not been opened as yet for use by the public, with the result that every available open space including the open storm water drains is being fouled by the public?

(b) Is he also aware that the plight of the people living in Karol Bagh due to the most insanitary conditions of the locality has become all the more deplorable?

(c) Is he also aware that in spite of repeated representations by the public to open the latrines at least in the most thickly populated area the authorities have paid no heed so far?

(d) Is he prepared to take necessary steps in getting the locality improved?

Mr. J. D. Tyson: The information has been called for and a reply will be furnished to the House when it is received.

COMPLAINTS AGAINST THE CHAUKIDAR AT THE BHULI BHATIARI TANK, DELHI.

***554. *Mr. Amarendra Nath Chattopadhyaya:** (a) Will the Honourable Member for Labour please refer to his replies to all the parts of starred question No. 251 on the 20th September, 1939, and state in detail the complaints received so far against the chaukidar in charge of the Bhuli Bhatiari Tank, Delhi, under the Central Public Works Department?

(b) In how many cases did the said chaukidar take law in his own hands and severely beat respectable citizens?

(c) Is he aware that this chaukidar is a dismissed police official? If not, what is the previous record of his service?

+ Answer to this question laid on the table, the questioner being absent

(d) What does the Honourable Member propose to do in the matter?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The information is being collected and will be laid on the table of the House in due course.

MESSAGE FROM THE COUNCIL OF STATE

Secretary of the Assembly Sir, the following Message has been received from the Council of State

"Sir, I am directed to inform you that the Council of State, at its meeting held on the 28th March, 1941, agreed, without any amendment, to the Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary the rate of the excise duty on matches leivable under the Matches (Excise Duty) Act, 1934, to vary the rate of excise duty on mechanical lighters leivable under the Mechanical Lighters (Excise Duty) Act, 1934, to vary the rate of the duty on artificial silk yarn and thread leivable under the Indian Tariff Act, 1934, to fix maximum rates of postage under the Indian Post Office Act, 1896, to fix rates of income-tax and super-tax and to continue the charge and levy of excess profits tax and fix the rate at which excess profits tax shall be charged, which was passed by the Legislative Assembly at its meeting held on the 22nd March 1941".

STATEMENT LAID ON THE TABLE

NET EARNINGS OF RECENTLY CONSTRUCTED RAILWAY LINES

The Honourable Sir Andrew Clow (Member for Railways and Communications) Sir, I lay on the table a statement showing the net earnings for the financial year 1939-40 of recently constructed railway lines

Statement showing net earnings during the financial year 1939-40 of new Railway Lines opened on and after the 1st April 1933

Note.—Only such lines as are entirely open and have been working for a full year are included.

Serial No.	Name of project	Working Railway	Gauge	Mileage	Date of opening	Net income creditable to the project for 1939-40	Percentage return on income for 1938-39	Percentage return on capital outlay for 1938-39	Estimated percentage return of income on capital outlay of some years after opening as estimated originally	
									6	7
1	Jhudo-Pithoro	Udhipur	Metre	64 11	1-6-1935	2,50,047	8 59	11 28	6 12	
2	Agastampalli-Point Calimere	South Indian	Metre	5 50 20	1-1936	-16,663 (a)	-5 95 (a)	-4 96 (a)	-10 5 (b)	

(a) Excludes net earnings of existing lines from new traffic interchanged with new railway but estimated return took into account such credit.

(b) Government were committed to the construction of the line as part of the terms of transfer of the Tanjore District Board Lines to the South Indian Railway. It was estimated that a loss of Rs 37,500 would accrue to Government on an outlay of Rs 3½ lakhs.

DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1940-41—*contd.*

DEMAND No. 47—AVIATION—*contd*

Mr. President (The Honourable Sir Abdur Rahim) The House will now resume discussion of the Demands for Supplementary Grants Demand No. 47 is before the House

The Honourable Sir Andrew Glow (Member for Railways and Communications) Sir, when we adjourned last night, we were discussing the Supplementary Demand for aviation. I would thank those Honourable Members who gave their support to the demand and I shall endeavour to deal with some of the points that were raised. I cannot deal with all of them because I feel sure that you would rapidly pull me up as irrelevant if I attempted to do so. I was asked by Mr Chattpadhyaya to deliver a lecture on the general progress of aviation in India, and there were also allusions to gliding which does not come within the present grant. I may, however, be permitted to say that we have offered financial assistance on certain conditions to the Indian Gliding Association and that under the leadership of Sir Hormi Mehta they are going ahead at Poona. They have imported some gliding machines and others are being manufactured in India. They have engaged an instructor who will shortly be in a position to start on active work.

The present demand relates to training of pilots and ground staff with a view to Air Force requirements. Our aim, as the House knows, was to train 300 pilots a year and 2,000 men for ground staff. So far as pilots are concerned, the grant has been devoted mainly to training pilots who were selected last year and who form the third group of men so selected. We got about 141 men in this selection and 28 of these were taken up at once by the Air Force for commissions. About 101 of the remainder were placed for training at the flying clubs and 36 of these had to withdraw or be discharged as unsuitable. I think Mr Abdul Ghani suspected that communal considerations had come in in this direction, but I can assure him that that is not the case. Any one who is rejected is rejected on a review by Air Force officers, and, as a matter of fact, the number of Muslims who failed to stay the course is by no means large. Out of the 36 I mentioned, only six are Muslims. A number have passed to the Air Force schools and in the result we still have a considerable number of men. I think, 50 or 60, actually training at the moment at the flying clubs, and we have still about 14 who were waiting to be posted.

Sir Syed Raza Ali (Cities of the United Provinces: Muhammadan Urban) The Honourable Member said that out of the 36 rejected, six were Muslims. What about those who qualified? How many of them were Muslims?

The Honourable Sir Andrew Glow: I am afraid I have not got the figures with me here, but I believe of this selected group over 20 were Muslims.

Sir Syed Raza Ali: 20 out of?

The Honourable Sir Andrew Glow: The number originally secured was about 141. Somewhere over 20, I have not got the exact figure here. The men who are now waiting to be posted will be taken on in a fortnight, and the committee which makes the final selection for these pilots is holding another meeting on Monday to select from further men who have applied. The preliminary selection has been done by committees appointed by Provincial Governments.

I was asked how long the training takes. That depends on circumstances including the aptitude of the pupil. There are really four stages in the training. The first is at the flying clubs and is a preliminary training in flying. The next stage, which is at a school in the Air Force, involves no flying. It is a short course of six weeks in which instruction is given in various subjects, discipline is taught and pupils receive a further training. Then they go on to an elementary flying training school in the Air Force, and finally, in the fourth stage, to an Air Force service Training School. We are mainly concerned here with the first stage, which is the stage in the flying clubs, although we are giving a certain assistance at the third stage, that is, in the elementary training schools in the Air Force. We are assisting in meeting the cost of flying and in providing machines. These include not merely aeroplanes but Link trainers, of which we have imported three. These are included in the demand here for stores. These Link trainers, as the House knows, are machines in which we reproduce the same conditions, as far as possible, as are encountered by people who are going in the air, but the person never actually leaves the ground. He is instructed, in this very ingenious machine by an instructor with a telephone attached to it. Even advanced training like training in night flying can be given with the aid of that machine.

Mr. M. S. Aney (Berar Non-Muhammadan) The man can learn flying without leaving the ground?

The Honourable Sir Andrew Glow: No, but he can get some useful training towards being a pilot without leaving the ground. In fact, you can bring about conditions which are not easy to bring about with safety with a comparatively untrained pilot. Thus you can train him in landing on ground in the dark by means of these machines before he actually tries that experiment in real flying.

The scheme for training mechanics is also going on well. At first we had considerable difficulty in getting good numbers and that was because we tried to insist on men coming with a certain amount of actual technical experience and aptitude. As the House knows, there is a great shortage of men of that type in India; at the moment there is an extraordinarily keen demand for them and it became evident that if we were going to insist on that qualification, we should never get all the men we wanted. We have, therefore, had to resort to taking lads who have sufficient general education to make it likely that with training they would develop into competent mechanics. I was asked about the length of the course. The original intention was that the course should in all cases last for a year, but urgent needs have led to a modification of that intention. The Air Force now take a certain number of men, the better men, after not less than four months' training and they give them further training of a more intensive kind. Those who are not so selected go on until the Air Force want them or until they complete the full course of one year.

We have at the moment over 700 men under training and we have over 200 approved candidates who are waiting to be posted. There are about 1,100 applicants who have been selected for interviews and I think the prospects are that we shall have in the first year the number of men that we want. Mr Chattpadhyaya asked about the arrangements for selecting these. We have had to make more than one change in the arrangements and the orders of September to which he referred are no longer applicable. The present decision is that the selection will be done in future by permanent Air Force Recruiting Boards consisting entirely of Air Force personnel.

I was asked also a question about the post-war position. It is extremely difficult for any one to forecast the position that will confront us after the war. The apprehension in the Honourable Member's mind seemed to be that we should not have sufficient men, either as pilots or as ground engineers, in order to meet the growing development of Civil Aviation that we all hope to see. Personally, I do not share that apprehension. If the war continues any time, I think the chances are rather in the other direction—that we shall find a number of men well qualified and well experienced, possibly in greater numbers than even a very big expansion in civil aviation can absorb. But I would say, as regards the ground staff at least, I do not think the training they are getting will be altogether useless to them if they turn to other branches of industry. We have suffered for years from a lack of skilled labour in India and have long leeway to make up if we are going to see that industrial expansion which is so ardently desired.

Maulvi Muhammad Abdul Ghani (Tirhoot Division. Muhammadan Rural) May I ask from the Honourable Member what was the number of selected candidates at the Delhi Flying Club for training. How many of them were Muslims and how many were turned out?

The Honourable Sir Andrew Clow: I have not got the figures for the individual clubs here. With the assistance of the Director of Civil Aviation, I have been able to look into the cases of those rejected at the Delhi Flying Club and there is no ground for the belief that this was due to bias in the mind of any particular individual who is there employed.

Mr. President (The Honourable Sir Abdur Rahim) The question is.

"That a supplementary sum not exceeding Rs 24,45,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Aviation'."

The motion was adopted.

DEMAND No 48—BROADCASTING

The Honourable Sir Jeremy Raisman (Finance Member) Sir, I move:

"That a supplementary sum not exceeding Rs 1,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Broadcasting'."

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That a supplementary sum not exceeding Rs 1,50,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Broadcasting'."

The motion was adopted.

DEMAND NO. 51—COMMERCIAL INTELLIGENCE AND STATISTICS.

The Honourable Sir Jeremy Raisman: Sir, I move.

"That a supplementary sum not exceeding Rs 37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Commercial Intelligence and Statistics'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Commercial Intelligence and Statistics'".

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division Non-Muhammadan Rural) Sir, I rise to move

Mr. President (The Honourable Sir Abdur Rahim) Does this come within the scope of this grant?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Yes

Mr. President (The Honourable Sir Abdur Rahim) Then, no amendment is necessary That amendment is not in order The Honourable Member can speak on the motion

Mr. Amarendra Nath Chattopadhyaya: In that case, I speak on the motion Footnote (a) says Due to the deputation of the Economic Adviser to the Government of India to the United States of America on a trade mission This is a matter which requires elucidation on the floor of the House Then the second is the appointment of a voted officer in place of a non-voted officer On this point also we want enlightenment from the Honourable Member The third point is the cost of passages and travelling allowances of the new Trade Commissioner to Japan and his staff We would like to be enlightened on these three points by the Honourable Member in charge We also want information about the opening of the new office of the Indian Government Trade Commissioner in Australia

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) Sir, this demand relates to the Statistical Research Branch of the Department of Commercial Intelligence and Statistics Before I come to the grant for Rs 15,000, I wish to say a word about the organisation and the work of this branch It seems to me that the organisation and work of this Department is not very satisfactory, but at the present moment I do not wish to discuss this question I wish to have a talk with the Honourable the Commerce Member in order that the work of this branch may be improved substantially

I will confine my remarks only to the demand for Rs 15,000 which is due to the deputation of Dr Gregory to America on a trade mission I have no desire to question the qualifications of Dr Gregory He belongs to the same vocation to which I belonged a few years ago He was a Reader in Economics in the University of London and wrote a few books the value of which has not been above criticism

An Honourable Member: What about your books?

Dr. P. N. Banerjea: That is for you to decide. You may speak on the subject. However, I do not question his general competence but I do feel that he has not been able to master the details of the trade and commerce of India. In this connection, I should like to invite the attention of the House to the fact that when he was first appointed as Economic Adviser to the Government of India, there was an adjournment motion moved in this House.

Sir Abdul Halim Ghuznavi (Dacca cum Mymensingh Muhammadan Rural) Do you know the reason why?

Dr. P. N. Banerjea: I did take part in the debate on the adjournment motion and I know the reason. The reason was that the people of India, as represented in this House, did not feel confidence in Dr. Gregory.

Some Honourable Members: No, no

Mr. President (The Honourable Sir Abdur Rahim) The Chair does not think the Honourable Member ought to discuss that. No doubt an adjournment motion was moved, but any way, that is past.

Dr. P. N. Banerjea: Since then, Sir, Dr. Gregory's work has not been of such a nature as to inspire much confidence.

Sir F. E. James (Madras European) May I rise to a point of order, Sir. My Honourable friend referred to an adjournment motion moved in this House. I think it is only right that the meaning of that adjournment motion should not be misinterpreted in the sense in which it has been misinterpreted. That adjournment motion was based upon the desire of this House that an "Indian" should be appointed and not Dr. Gregory, but it was in no way, either in discussion at that time or by the final vote, a reflection upon the ability of Dr. Gregory.

Dr. P. N. Banerjea: I would ask my friend, Sir F. E. James, to look up the debate.

An Honourable Member from the European Benches: He has

Dr. P. N. Banerjea: This is no misinterpretation, what I am saying is the correct thing. Sir, since his appointment, the work that he has done has not inspired confidence in the commercial community of this country. As soon as it was announced that Dr. Gregory was to be associated with Dr. Meek on a mission to America, the Federation of Indian Chambers of Commerce lodged its protest and asked the Honourable the Commerce Member to have an Indian as a delegate to America. Sir, I do not know why that request was turned down. The reason why an Englishman was preferred to an Indian is not known, I do not know what the exact reason was, but the attitude of the Government of India must have been influenced by one of three reasons. In the first place, perhaps the Government of India thought that no capable Indian was available for this kind of work. Now, if that was the case, then I must lodge my emphatic

[Dr. P. N. Banerjea.]

protest against that attitude. It would be a slur on the intelligentia of this country to say that not a single Indian economist or industrialist was available in this country for undertaking this work.

Sir Abdul Halim Ghuznavi: Who said that?

Dr. P. N. Banerjea: Then, what were the reasons? I am considering the reasons which might have prompted the Commerce Member of the Government of India to send Dr Gregory.

Sir Abdul Halim Ghuznavi: Instead of you?

Dr. P. N. Banerjea: I was not a candidate you shut up!

Mr. President (The Honourable Sir Abdur Rahim): Order, order. That is not the way to address an Honourable Member of this House.

Sir F. E. James: Sir, I understand that this demand relates to commercial intelligence and statistics, and the only item relating to the Economic Adviser to the Government of India is an amount for the expenses of the deputation to the United States of America on a trade mission. I submit that it is completely out of order for there to be a general discussion upon the abilities of Dr Gregory to hold this particular office, and, I would ask your ruling on that point—whether this discussion is not limited to this item of expenditure.

Mr. M. S. Aney: May I submit, Sir, before you give your ruling, that inasmuch as this Rs 15,000 which forms part of the Supplementary Demand relates to the deputation, it is open to this House to say whether the deputation was proper or not, and in that connection, if, unfortunately, the merits of Dr Gregory are under discussion, the House cannot help that, and anything said in the discussion which does not go beyond that point would not I think entitle Sir F E James to say that the matter should be ruled out of order, it is perfectly relevant to the discussion.

Mr. President (The Honourable Sir Abdur Rahim): It has been pointed out that one of the items amounting to Rs 15,000 relates to the economic deputation to the U.S.A. which consisted of Dr Gregory and Dr Meek, and the Chair is asked to state that Dr Banerjea, in discussing the merits of this deputation or of one of its members, is not in order. The Chair quite agrees with Sir F E James that it is not desirable in this House to discuss the merits of individual officers serving under the Government of India, but the Chair does not think it could say that Dr Banerjea is not in order in arguing that the deputation ought not to have been constituted as it was. The Chair does hope, however, that Dr Banerjea will refrain as much as possible from casting any reflections on an officer serving under the Government of India.

Dr. P. N. Banerjea: Sir, I thank you for your observations. It was not my intention to discuss the general qualifications of Dr Gregory, but I was considering his fitness for undertaking this mission and I was urging

that Indians were available for this kind of work and Indians could have done the work better. I am protesting against the appointment of a non-Indian for this deputation or mission, whichever way you would like to put it. Sir, in the first place, we shall have to consider whether a suitable Indian was available or not in this country. I maintain that many suitable Indians were available amongst economists as well as industrialists. There are Indian industrialists in this country who would have been able to do the work far more satisfactorily than the work has been carried out by Dr Gregory. Thus that question is easily answered—the availability of suitable Indians. It might have been in the minds of the Government of India that Indians were not to be sent on a deputation, because the Government of India perhaps thought that Indians did not know their own interests, being minor children, and the trustees, therefore, thought it fit to send a European for this purpose. The third reason which might have prompted the Government of India was that Indians could not be trusted for this arduous work. Now this mistrust has always had a baneful effect on the attitude of the Government of India towards the children of the soil. Even during this war this mistrust has not disappeared. That is a very unsatisfactory state of things, and we are entitled to know why this mistrust of Indians still continues.

Sir, now I shall discuss the Report which has been presented by Dr Meek and his associate Dr Gregory. This report does not appear to me to be at all satisfactory. As the *Hindu* of Madras points out, this report could have been written by Dr Gregory or anybody else without visiting America. (Interruption) The *Hindu* is a responsible paper—I hope it will not be regarded as an irresponsible paper by the Honourable the Finance Member. Sir, only after going through some of the articles in respect of which there can be an export trade from India to the United States, the authors of the Report say in conclusion that there are only two articles, namely, manganese and mica which have an export market in United States. The Honourable the Commerce Member said in this House the other day that, only for these two things and for nothing else, the deputation was justified. I do not think so. The deputation did not make any new discovery. The Commerce Department and the Department of Commercial Intelligence and Statistics ought to have known that India produces manganese and mica in large quantities and that both these are regarded as essential war materials in the United States. If this Department did not possess that information, I must say that his Department was very ill-equipped and needed overhauling. For making this discovery, Dr Gregory need not have been sent to America. If an Indian delegation had been sent, that delegation would have gone carefully into all the other things in which export trade could be developed. Such an Indian delegation might also have considered the other aspect of the question, namely, imports from America to this country, because unilateral trade relations can never be of very long standing or satisfactory. In this country machinery is demanded for the industrial development of the country and America is the fittest place from which machinery could be imported. But this side of the question was not considered at all. I, therefore, think that the appointment of an Englishman—I do not raise the question of race—but I do say that the appointment of a person who is not fully conversant with the economic conditions of this country was a mistake.

[Dr. P. N. Banerjea.]

Coming to the cost of the delegation it seems to me that it is a very large amount—Rs 15,000 for a deputation to America. I do not know for what period he stayed in America. Even if he spent two or three months, the amount which is provided seems to me to be exorbitant.

Mr. Govind V. Deshmukh: You must consider the style of living.

Dr. P. N. Banerjea: My Honourable friend suggests that having regard to the style of living of Dr Gregory, it is not a very exorbitant sum. I do not know that

The Honourable Sir Jeremy Raisman: Does the Honourable Member know the cost of passage to America and back just now?

Dr. P. N. Banerjea: Yes, the cost of passage is much greater than it used to be, but even then Rs 15,000 is a very large sum to be provided for this purpose.

Then, Sir, I wish to raise another question. This matter being a very important one ought to have been placed before the Standing Finance Committee. Yesterday the Honourable the Finance Member said that in placing matters before the Standing Finance Committee, two criteria were taken into account. In the first place, for non-recurring grants-expenditure involving a minimum amount of one lakh of rupees was placed before the Standing Finance Committee, and for recurring grants, the limit was Rs 25,000. I think, Sir, this is not quite right. You may spend in the total very large sums, each expenditure amounting to Rs 10,000, Rs 15,000 or Rs 20,000. What I would urge is that this limitation should be done away with and that any expenditure amounting to Rs 10,000 or more should be placed before the Standing Finance Committee. Besides, I would urge that whenever any question of principle is concerned, that matter should go before the Standing Finance Committee. When that is done, then and then only will the Standing Finance Committee be able to do its work properly. Otherwise, the Standing Finance Committee will be of no use to this House or to the country.

So before I resume my seat, I wish to make it clear that it was not my intention to speak disparagingly of Dr Gregory, but I must once more say most emphatically that he was not the fit person to be chosen for this purpose.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I must confess that I have rarely listened to a speech from my Honourable friend, Dr Banerjea, with which I was less in sympathy and about which I feel sure that he will regret when he reconsiders the position. He has dragged an officer's name into this debate and has made remarks and cast aspersions about him.

Dr. P. N. Banerjea: No aspersions, please.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: ... which are thoroughly unjustified, especially when he remembers that he himself a Professor of Economics. I feel sure that that is not the kind

of criticism which can be fairly levelled against that officer I feel personally very strongly on these remarks, because Dr Gregory is one of the few officers on whom I have constantly continually depended during the last 18 months, particularly since the outbreak of the war and whose advice has been invaluable to me in all matters relating to the difficult trade and commercial situation in this country

My Honourable friend referred to the debate on the adjournment motion which took place in this House where some remarks were made about this appointment I will only read the concluding speech of an Honourable Member, a non-official gentleman, my Honourable friend, Mr Muhammad Nauman, who summarised that debate in these words

- 'The spirit in which the Opposition has made this protest is absolutely correct in the sense that they want to limit the importation of Europeans as far as they can but on occasions it should be permissible and our friends should not insist on such protests in season and out of season. In this case, where Opposition Members have accepted that Mr Gregory is a man of international reputation and exceptional merit in economics, I do not see the sense of protest'

I will not add anything to what has been so well summarised by an Opposition Member

Dr. P. N. Banerjea: Read other speeches Read my own speech.
Read Mr Satyamurti's speech

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Yes, the Honourable Member made a speech almost in the same terms in which he made the speech today I had hoped that the passage of time would have mellowed the feelings that the Honourable Member may have had on the subject

Now, Sir, leaving Dr Gregory's reputation apart which does not stand in need of vindication by me, leaving that apart, let me come to the more pointed observation that my Honourable friend made regarding the suitability of my sending Dr Gregory on this particular mission I say once more that I could not have made a better selection It is true that the Federation of Indian Chambers of Commerce and some other commercial bodies protested and sent in their memoranda In fairness to them, it must be said that they made those protests when they were in complete ignorance or misunderstanding of the nature and the scope of the special mission on which Dr Gregory and Dr Meek had been sent They understood that this mission was to form some sort of trade pact with the United States and they naturally stated that if any question of trade agreement was to be arrived at, non-official commercial opinion should be associated, but even they did not suggest that Dr Gregory and Dr Meek should not have gone Their point was that commercial men should have been associated with the mission and when I explained to them that this was purely a sort of fact-finding commission, that they did not intend to arrive at any agreement with United States, that they were merely there to survey the situation and to make a report to the Government of India on the situation as it developed at the time after the war had broken out, I think in fairness to the commercial bodies, I must say that most of them, at any rate, recognised the reasonableness of the position that the Government had taken and the reasonableness of the fact that this particular official mission was sent out

[Diwan Bahadur Sir A. Ramaswami Mudaliar]

That Dr Banerjea should now have ignored all that has appeared in the papers and should have said that this mission should not have been sent and that protests were made by the Federation means that he has not followed the entire story about this mission. Now, let me come to a positive justification of why I was responsible for sending Dr Gregory on this mission. Dr* Gregory had been in the United States of America before. He had been associated with a very important mission which His Majesty's Government had sent to America some years earlier. He had acquaintances and he had contacts with the officials of the United States Government and these contacts and acquaintances were most invaluable in the mission that he had undertaken. It was not possible for any Indian, however eminent he may be as a professor of economics or as a commercial magnate, to have these contacts and these acquaintances with the Treasury and other officials of the United States Government which Dr Gregory had already commanded and which he could avail himself fully and did avail himself to the fullest extent when he actually went on that mission. I am, unfortunately, in the position that I cannot publish the whole of the report. The report that has been placed in the hands of the public is only an extract from the full report that Dr Gregory has submitted to the Government of India. There were confidential matters there relating to key industries and relating to the American requirements with reference to war effort that I could not possibly release for public consumption because it may get into the hands of those who either directly or indirectly were or could be in contact with the enemy. All that has been taken out and this is an expurgated edition of the report that I have had to place before the public. But let not my Honourable friend forget that the expurgated report that he has seen of the most valuable mission, the nature of the work that they had to do, the investigation that they had to make, the inquiries that they had to conduct, the information that they had to obtain, could only have been obtained by a person in the position of Dr Gregory with, as I said the adventitious aid so far as the Government of India is concerned of his previous connections and of his previous acquaintances with the officials of the United States Treasury. But, Sir, I do not want to dilate on the report itself. There are some persons who will never be convinced and I have seen in my limited experience—I am speaking generally now—that while it is said no two scientists agree an economist sometimes does not agree even with himself. With that state of mind, it will be a work of supererogation on my part if I were to try to convince my Honourable friend, Dr Banerjea once more of the valuable material that is contained in this report.

MR. M. S. ANEY: That should be the reason for you to make an attempt to convince him.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Not on a Supplementary Demand and not in this House Speaking seriously, my Honourable friend referred to the views of a paper in this House. I have nothing to say against that paper. But let me make a personal confession. I was myself for seven years the editor of an English daily newspaper called the *Justice*. In an honorary capacity I did the work and day after day I sat in my editorial chair and I think it is the same experience of any other editor. Our greatest anxiety is to find material

for the 'leader' and when a report of this nature comes, we are very glad. We, the editors, speaking generally, though there are exceptions, go through reports like this in about half an hour at the most and immediately produce a leader. I would not, if I were a Professor of Economics, take my lessons from the editorials on commercial and economic subjects which appear in the daily newspapers. I shall not say the same thing of weeklies or monthlies or journals of that kind. And, therefore, I wish that Dr Banerjea had studied the report more carefully and had got his appreciation of that report at least to a certain extent, from the newspaper editorials.

Sir F. E. James: Some papers had written editorials about it before it was published.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I should not be surprised if they did that.

Now, let me turn to the question that my Honourable friend, Mr Chattopadhyaya, has raised. There was a Trade Commissioner in Japan. He was an officer of the Imperial Customs Service and was appointed before 1924. He was one of those officers whose salary was treated as non-voted. His place has now been taken by an officer of the same service appointed at a later date whose salary is treated as voted. That is the reason for the statement that a voted officer has been substituted for a non-voted officer. As regards the Australian Trade Commissioner, it is the same series of arrangements. The Japanese Trade Commissioner has been transferred to Australia to open the new Trade Commissioner's office there and an officer from the Commerce Department has been sent to Japan for the purpose.

Mr. Amarendra Nath Chattopadhyaya: Is he an Indian?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Both are Indians.

I do not think there is any other subject which is to be covered by me. As regards the item of expenditure, I may say that both Dr Gregory and Sir David Meek to complete their report in as short a time as possible had to fly to America. They went first to Hongkong and then from Hongkong they went by air all the way to America. This amount of Rs 15,000 represents merely their travelling allowance and other items connected with the expenses both of passage and stay in that country.

Honourable Members: The question may now be put.

Sir Syed Raza Ali: Sir, I have only a very few observations to make. It is unfortunate that my Honourable friend, Dr Banerjea should have, in the course of the discussion on this motion, brought in the fitness and suitability of Dr Gregory to be a member of the Delegation that went to the United States of America to make certain inquiries. In fact, if I understood him rightly, his main point was that the Government had no justification for not associating with this Delegation at least one Indian member.

Sir Abdul Halim Ghusnavi: He wanted an Indian to go

Sir Syed Raza Ali: I believe the Delegation consisted of two members, one was Dr Gregory and the other was Sir David Meek. Let me point out that I do not claim to know Dr Gregory very well, but from what I have seen of his work, it is unfortunate that disparaging remarks should be made in this House about this distinguished officer who has done his duty, so far as I can see, to the entire satisfaction of the people with a reasonable frame of mind. I know the other member of the Delegation personally. I have had to work with him in close co-operation, I mean Sir David Meek. Sir David Meek's authority on economic and industrial questions relating to India is very high indeed. Further, I can say from personal experience that Sir David Meek is one of those men—and I say this from personal experience, having worked with him on more than one Committee—whose outlook, while dealing with industrial, economic and commercial questions relating to India, always was to find out a course of action which would be really beneficial to India. When he was serving in this country, and even after that, his one desire was to serve the country in whose service he was. I have found him devoting hours patiently to find out as to what was the course to be adopted with a view to furthering Indian interests. From what I know, although I admit my information is not first-hand,—I believe Dr Gregory commands a similar position. Therefore, I do consider that it was very unfortunate for my Honourable friend to have made the remark that he did in the course of his speech. In any case, let me make it quite clear that I entirely dissociate myself from the remarks, which my Honourable friend let fall in the course of his speech, concerning Dr Gregory.

Having said that, let me now come to the main point. There I must say that I am more or less in accord with my Honourable friend, Dr Banerjea, and my Honourable friend, Mr Chattopadhyaya, who was the first speaker. I am particularly led to make these remarks because of the apparently conciliatory speech made by my Honourable friend, the Commerce Member. Let us see what the Commerce Member says. I do not want to go into the personal question of the appointment of Dr Gregory, but I am led to make these remarks because of certain observations that the Commerce Member made. As I said, the seeming reasonableness of the Commerce Member was there, but unfortunately in saying what he did he committed himself to a policy with which, I am sure, non-official Members of this House can never be in sympathy. Let us see what he said. Quite apart from paying a well-deserved compliment to Dr Gregory on his ability and on the manner in which he conducted this inquiry, he also sought to justify his appointment on the ground that Mr Gregory was well-known in America, that Dr Gregory had access to so many officials, and that Dr Gregory was a man who, because of his previous knowledge of the United States, would find it easier to conduct an inquiry of this character than any Indian. I believe I am not misrepresenting what my Honourable friend said. If that is so, does my Honourable friend realise what this confession amounts to? We know in what condition India is; we know the difficulties with which Indians have to contend. If his logic is true, that would be a perpetual argument in favour of excluding Indians from commissions and duties of a similar character.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No, Sir. My Honourable friend is reading more into my speech than I intended. At the time, for the purpose and in the circumstances in

which we were then, to get a report in a reasonable time and to get it in those circumstances Dr Gregory was the right man. That is all that I said. There was no policy indicated in that. I never said that Indians can never go and conduct any of these inquiries, merely because they are strangers to the country. On the other hand, every Trade Commissioner that has been appointed by the Commerce Department, except for the United Kingdom itself, has been an Indian. It is a policy which has been consistently pursued, I have only inherited that policy from my predecessor, and I see no reason to depart from that policy either.

Sir Syed Raza Ali: I am very glad that my Honourable friend, the Commerce Member, has made this addendum to his speech. If that is the policy of the Government of India, I do not think I have much to say against it except that I do not quite understand why it should not have been possible for my Honourable friend to send a delegation of two as he did, with this change that it was open to him to appoint one Englishman and one Indian.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I may say that, as a matter of fact, the Trade Commissioner in New York, Mr Malik, who is an Indian, was associated with this mission. And so far as Sir David Meek was concerned, I took the opportunity of his passing through New York back to London to have him also associated with Dr Gregory. He had to return to London, and he could return to London in those circumstances and at that time only through America, and, therefore, I suggested that Sir David Meek might also be associated with Dr Gregory. The report is of Dr Gregory and Sir David Meek, but throughout these investigations, to the extent that he could help, Mr Malik, our Trade Commissioner in New York, was associated with this mission.

Sir Syed Raza Ali: I welcome this additional information which the Commerce Member has given. But I am sure the Commerce Member realises that to be in the position of an assessor, as our Trade Commissioner in the United States was, is not the same thing as being a member of the delegation that drafts the report and puts signatures on a well-considered report. The position is entirely different. I do not want to rub it in too much, but I do ask the Commerce Member to realise that it is radically wrong for the Government of India not to appoint Indians on such delegations. I must say that on these delegations there must, if possible, be a majority of Indians, or, if not a majority, at least 50 per cent. of Indians. Otherwise, the reports of these delegations are not going to command the confidence of the country.

Then, Sir, it was quite open to my Honourable friend to go into the history of how the editorial leading articles were produced, but let me tell him that I have been a careful reader of some of these leading articles, and I must say that I take off my hat to some of the writers that contribute these leading articles on Indian economic, political and other subjects.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: So do I.

Mr. President (The Honourable Sir Abdur Rahim).—The Honourable Member need not dilate on that.

Sir Syed Raza Ali: My point is only this I earnestly request the Commerce Member that in future and as long as he holds this office, if he is responsible for sending any delegations out of India to make commercial, economic or other inquiries, he should make it a point to have, if possible, a majority of Indians on these delegations, and in no case should the proportion of Indians on these delegations be less than fifty-fifty

Several Honourable Members: The question may now be put

Mr. President (The Honourable Sir Abdur Rahim) The question is—

"That the question may now be put"

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That a supplementary sum not exceeding Rs 37,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Commercial Intelligence and Statistics'"

The motion was adopted

DEMAND NO. 52—(CENSUS)

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Census'"

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Census'"

There is a cut motion in the name of Mr Azhar Ali who wants the demand to be omitted. That is out of order. There is another cut motion in the name of Mr Chattopadhyaya who wants to discuss the Census operations. That is also out of order. The thing can be discussed on the motion itself

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions Muhammadan Rural) All right, Sir I will discuss on the motion itself. It is very unfortunate that on discussions about these demands the issues are clouded. Anybody drags in personalities. I do not wish to drag in any personality. The Government of India generally publish

Mr. M. S. Aney: May I rise to a point of order on this matter? This is not a new service or anything like that. It is only some extra expenditure that has been placed here in the form of a Supplementary Demand about Census. There was a demand for Census placed before us when the regular budget was passed by this House, and the whole question of census policy was discussed then. Would any discussion about census policy or general census operations now be in order on this Supplementary Demand, unless that discussion relates to the particular expenditure provided for here?

The Honourable Sir Reginald Maxwell (Home Member). Sir, the demand is only in respect of additional expenditure on paper and printing and transport of enumeration pads

Mr. President (The Honourable Sir Abdur Rahim) This is only part of the demand for census operations That being so, the Honourable Member cannot discuss those questions over again *

Mr. Muhammad Azhar Ali: I am only confining myself to the rise in the cost of paper and nothing more Sir, it is a very common thing when something is wanted which cannot be clearly expressed, then such items are put in as rise in price of paper, etc My submission is that with the war conditions before us the Budget was passed by this House, and the expenditure that was sanctioned before ought to have been enough so far as the paper was concerned However, it is said that the price of paper has risen and they want more, and I have no objection But we see stated further in the footnote "unforeseen expenditure on the transport of enumeration pads" Even if more pads were required I could understand and see that as the price of paper has risen therefore, more money was required for pads But my submission is, are the sources of transport reduced simply because some railway lines have been dismantled? If not, what are the reasons? Can there be any good reason for saying that in the communication and transmission of these pads there is some paucity? I cannot possibly understand it I mean to say that there is no proper justification mentioned here and that is my only point

The Honourable Sir Reginald Maxwell: Sir, I think it might be helpful to the House if I gave a little further explanation in amplification of the note which has been printed below this demand, so that Honourable Members might know what we are really talking about The Supplementary Grant is wanted in respect of two things one is the rise in the cost of paper and printing charges since the Budget was drawn up, on account of the war On that point I might mention that an enormous quantity of paper is used for the actual enumeration and all the operations leading up to it In fact, 3,571,501 enumeration pads had to be printed including 522,000 odd pads which were required by Indian States and in respect of which we shall get a refund of Rs 78,000 from the States

Mr. M. S. Aney: What is the enumeration pad like? How big is it?

The Honourable Sir Reginald Maxwell: It is rather like that (shows a slip block)—perhaps a little larger I think all Honourable Members mostly have seen it The rise in the cost of paper is a thing that could not have been foreseen, and to ask the House for a Supplementary Grant to cover it is, I think, not unreasonable

The other main matter included in this item is the cost of transport of enumeration pads from Calcutta, where they were printed, to the various provincial, district and tahsil headquarters throughout India In the past these schedules were printed in the provinces, but on the occasion of this census, all the enumeration pads have been printed at the Government of India Press, Calcutta That was because it was worked out that that was the most economical way of obtaining this stuff and the cost of transportation from Calcutta to all these other centres is estimated to be about Rs 60,000 No account of this item was taken at the time when

[Sir Reginald Maxwell]

the Budget was prepared, as it was not possible then to anticipate with any degree of accuracy the expenditure that would be required, but it is a perfectly simple demand, and now that the amount is known I think the House will have no difficulty about granting it

Mr. President (The Honourable Sir Abdur Rahim) The question is "That a supplementary sum not exceeding Rs 77,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Census'"

The motion was adopted

DEMAND NO 56—MISCELLANEOUS DEPARTMENTS

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March 1941 in respect of 'Miscellaneous Departments'"

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That a supplementary sum not exceeding Rs 58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Miscellaneous Departments'"

There is an amendment in the name of Mr Azhar Ali, who wants to discuss the appointment of the Court of Inquiry Is that covered by the demand?

Mr. Muhammad Azhar Ali: I do not wish to take much time of the House, but I would only like to know how these courts are constituted

An Honourable Member: Move your amendment first

Mr. Muhammad Azhar Ali: I move Sir, that the demand

Mr. President (The Honourable Sir Abdur Rahim) The Chair has ruled the amendment out of order The Honourable Member can discuss the question of the appointment of the Court of Inquiry on the motion itself.

Mr. Muhammad Azhar Ali: My only point is how are these courts constituted? It is said here "under the Trades Disputes Act, 1929" What will be the qualifications of these people? Will they be travelling from place to place? In what manner is the money spent? Are any Indians appointed on these courts or are they confined to some experts on trades unions? Are any members of this House to be associated or is it confined to outsiders drawn from trade and commerce? These are my points.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, this is a court of inquiry about which the House, I think, had the fullest information because it discussed the recommendations of this court of

inquiry some time back. My Honourable friend asked whether Indians are appointed on this court. This court of inquiry was constituted under the Trades Disputes Act of 1929, with reference to a dispute that had arisen between railway employees and the railway as regards dearness allowance. The President was the Honourable Justice Sir B. N. Rau and the members were Sir Shafaat Ahmad Khan and Mr. Hughes, a member of the Indian Civil Service in Bengal, who had some considerable experience of labour problems. Persons of judicial mind and persons who are generally by their experience qualified to deal with these questions are taken for the Court of Inquiry.

Mr. M. S. Aney: May I know, Sir, whether in the costs shown here of officers employed on the court of inquiry, the salary of the Judge whose services are lent to the Government of India is also included?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The voted portion is included. The non-voted portion is not included.

Mr. M. S. Aney: This does not exactly give us the idea of the total cost which the Government of India had to incur.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No, it does not.

Mr. M. S. Aney: May I know what will be the total cost?

The Honourable Sir Jeremy Raisman: The total cost will be found in the Demand for Grants.

Mr. President (The Honourable Sir Abdur Rahim). The question is:

"That a supplementary sum not exceeding Rs. 58,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Miscellaneous Departments'."

The motion was adopted.

DEMAND NO. 57—CURRENCY.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs. 24,18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Currency'."

Mr. President (The Honourable Sir Abdur Rahim): The question is

"That a supplementary sum not exceeding Rs. 24,18,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Currency'."

The motion was adopted.

DEMAND NO. 58—MINT

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs. 15,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Mint'."

Mr. President (The Honourable Sir Abdur Rahim) The question is.

"That a supplementary sum not exceeding Rs 15,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Mint'."

The motion was adopted.

DEMAND No 62—STATIONERY AND PRINTING

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 7,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Stationery and Printing'."

Mr. President (The Honourable Sir Abdur Rahim) There is an amendment in the name of Mr Azhar Ali Does he want to move it?

Mr. Muhammad Azhar Ali: I don't want to move it, Sir

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That a supplementary sum not exceeding Rs 7,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Stationery and Printing'."

The motion was adopted

DEMAND No 63—MISCELLANEOUS.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 1,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Miscellaneous'."

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That a supplementary sum not exceeding Rs 1,75,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Miscellaneous'."

The motion was adopted

DEMAND No 67—AJMER-MERWARA

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 17,59,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Ajmer-Merwara'."

Mr. President (The Honourable Sir Abdur Rahim) Motion moved:

"That a supplementary sum not exceeding Rs 17,59,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Ajmer-Merwara'."

Pandit Nilakantha Das (Orissa Division Non-Muhammadan) Sir, I want to ask a few questions. In the Finance Committee the sum contemplated was Rs 15,67,000. Now the demand is for Rs 17,59,000. What is this increase due to? It was expected that the monsoon would be better this year and there would be no famine relief works in that area. We should like to know what the monsoon conditions were and what they are now in that area and whether any work is going on there, and if so, what is likely to be the expenditure next year. Some information is required on these points.

The Honourable Sir Jeremy Raisman: Considerable details were placed before the Standing Finance Committee. We could not be sure when famine conditions would entirely cease and when relief works would actually be closed, and if there has been an increase, as it appears there has been, between the time that this was placed before the Standing Finance Committee and the Supplementary Demand which has now come to the House, that must be due to the fact that further relief works continued to be necessary after that date, and consequently the sum has increased. As regards the future, I must refer my friend to the Budget speech and the demands for grants for the coming year. I believe, as far as I can recollect, no provision has now been made for the coming year as it is hoped that these famine conditions have now ceased.

- **Mr. President** (The Honourable Sir Abdur Rahim) The question is—
“That a supplementary sum not exceeding Rs 17,59,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of ‘Ajmer-Merwara’”

The motion was adopted

DEMAND No 69—ANDAMAN AND NICOBAR ISLANDS.

The Honourable Sir Jeremy Raisman: Sir, I move

“That a supplementary sum not exceeding Rs 2,55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of ‘Andaman and Nicobar Islands’”

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

“That a supplementary sum not exceeding Rs 2,55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of ‘Andaman and Nicobar Islands’”

Pandit Nilakantha Das: Sir, with regard to item (f) in the Note at page 87, I should like to know what is the present arrangement made there for convicts. Are these Islands still a convict settlement, if so, for how long will they remain like that?

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member is really a raising question of policy

Pandit Nilakantha Das: I simply want to know what is the arrangement now for convicts.

Mr. President (The Honourable Sir Abdur Rahim) Arrangement for what? The Honourable Member will find details of the expenditure in the book

The Honourable Sir Reginald Maxwell: Sir, may I explain that there has been no change in the arrangements in the Andaman Islands. It is still a convict settlement as before. How long it will remain as such is a different question which I cannot now answer, not being endowed with the gift of prophecy.

Mr. President (The Honourable Sir Abdur Rahim) The question is:
 "That a supplementary sum not exceeding Rs 2,55,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Andaman and Nicobar Islands'."

The motion was adopted

DEMAND No 71—INDIAN POSTS AND TELEGRAPHS—STORES SUSPENSE.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs 2,91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Indian Posts and Telegraphs—Stores Suspense'."

Mr. President (The Honourable Sir Abdur Rahim) The question is
 "That a supplementary sum not exceeding Rs 2,91,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Indian Posts and Telegraphs—Stores Suspense'."

The motion was adopted

**DEMAND No 72-A—INDIAN POSTS AND TELEGRAPHS—CAPITAL OUTLAY—
 APPROPRIATION TO THE TELEPHONE DEVELOPMENT FUND.**

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 4,75,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Indian Posts and Telegraphs—Capital Outlay—Appropriation to the Telephone Development Fund'."

Mr. President (The Honourable Sir Abdur Rahim) The question is:
 "That a supplementary sum not exceeding Rs 4,75,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Indian Posts and Telegraphs—Capital Outlay—Appropriation to the Telephone Development Fund'."

The motion was adopted

DEMAND No 76—INTEREST-FREE ADVANCES.

The Honourable Sir Jeremy Raisman: Sir, I move

"That a supplementary sum not exceeding Rs 1,04,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Interest free Advances'."

Mr. President (The Honourable Sir Abdur Rahim) The question is:
 "That a supplementary sum not exceeding Rs 1,04,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Interest free Advances'."

The motion was adopted

DEMAND No 77—LOANS AND ADVANCES BEARING INTEREST.

The Honourable Sir Jeremy Raisman: Sir, I move:

"That a supplementary sum not exceeding Rs 89,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Loans and Advances bearing Interest'."

Mr. President (The Honourable Sir Abdur Rahim) The question is "That a supplementary sum not exceeding Rs. 89,00,000 be granted to the Governor General in Council to defray the charges which will come in course of payment during the year ending on the 31st day of March, 1941, in respect of 'Loans and Ad----bearing Interest'."

The motion was adopted

THE INSURANCE (AMENDMENT) BILL

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Sir, I move

"That the Bill further to amend the Insurance Act, 1938, as reported by the Select Committee, be taken into consideration"

I explained the purpose of the Bill when I introduced it. The Select Committee has very carefully gone through the Bill and has made certain amendments. I shall deal only with some of the main amendments that have been made by the Select Committee.

In the original Bill it was suggested that renewal of registration should be in a prescribed manner. The Select Committee felt that conditions might be imposed on this renewal which had nothing to do with the main purpose for which this renewal was sought, namely, to get certain funds for the administration of the department. Therefore, it has deleted those words and made it an automatic renewal, that is to say, that if the fee is paid, there is no other condition attached to the renewal and renewal will be, as a matter of course, granted by the Superintendent of Insurance.

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) That is merely a financial provision?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It is purely a financial provision, it does not seek in any way to interfere with the normal course of renewal and registration and there is no other purpose except to get a certain amount as renewal fee under the provision that has been made. Secondly, regarding the amount also there has been a great deal of misconception. The Bill provides that the maximum fee is Rs 1,000, but several companies, especially the younger life insurance companies and those who are not on the top of the business, felt that they might be mulcted in charges very much higher than was anticipated. It is not considered desirable to put the actual amounts in the Bill itself, but I have undertaken that the charges will not be above those which are stated in the Select Committee's report. The charges are businesses according to the amounts of premia collected and the scale will be as suggested here. I may say also that it is not the intention to impose the scale as it stands immediately. It will be imposed at such rate as may be desirable to meet the expenses of the department. There is one other observation, that I should like to make

Sir Cowasji Jehangir (Bombay City Non-Muhammadan Urban) Will the Honourable Member read out the Select Committee's report in connection with fees so that it may be known?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:
The Select Committee has stated.

"In connection with the fees which are to be prescribed under sub-section (2) of the new section we have been informed on behalf of Government that the scale of charges contemplated will be such as to fix the fee at one hundred rupees where the annual premium income of the insurer in the class of business concerned is one lakh of rupees or less, two hundred rupees when it exceeds one but does not exceed two lakhs, three hundred rupees when it exceeds two but does not exceed four lakhs, five hundred rupees when it exceeds four but does not exceed six lakhs, seven hundred and fifty rupees when it exceeds six but does not exceed ten lakhs, and one thousand rupees when it exceeds ten lakhs. The scale will also secure (and that was the point that I was going to refer to) that the total of the fees payable in respect of all classes of business exclusive of life insurance business will not exceed fifteen hundred rupees."

That is to say, in the case of miscellaneous insurance companies which may have fire, accident and other policies, apart from life business,—they will not have to pay, whatever their business may be—Rs. 1,000 is the maximum for each of these, but the overall maximum is Rs. 1,500 only.

With reference to the provision that has been made that an agent can get a rebate on his own life, it has been provided that in the case of a *bona fide* agent this can be done. Doubts have been thrown on what is meant by a *bona fide* agent, and it has been stated on behalf of the Government that an agent will be considered a *bona fide* agent, who has secured at least six life policies including his own.

A great deal of controversy has risen over clause 61, which provides for measuring the guaranteed surrender value of a policy. We took the view that under the Act as it stands there must be some indication to the policyholder of what kind of guaranteed surrender value he will obtain at any stage over his life policy. It is not our purpose to ask the insurance companies to have detailed and bulky volumes stating year after year with reference to various policies and premia paid, the surrender value absolutely but if any indication is given by means of a formula which can easily enable the policyholder to arrive at the figure by himself the department will be satisfied with that indication, and an amendment has been made accordingly to meet the wishes of the life insurance companies in this matter. I do not think I need go into any further details in regard to the amendments that have been made. The Select Committee's Report was presented on the 6th March. It was published in the Gazette the following Saturday and the amended Bill has been before the House and the country for well over three weeks and I suggest that the Bill may be now taken into consideration.

Mr. President (The Honourable Sir Abdur Rahim) Motion moved

"That the Bill further to amend the Insurance Act, 1938, as reported by the Select Committee, be taken into consideration."

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions Muhamman Rural). In the Select Committee, it was said that in the case of appeals, the Central Government will allow an appeal. The Honourable Member promised to consider that suggestion.

Sir Cowasji Jehangir: Appeal about what?

Mr. Muhammad Azhar Ali: You will see from the Dissenting Note you have written on clause 4 I want to know whether the Honourable Member has considered this.

Sir Cowasji Jehangir The Honourable Member alluded to clause 61 and to the formula. Now, I believe it is clearly understood that if the insurance companies state in the policy that the guaranteed surrender value would be a certain percentage of the premiums paid, it would be accepted by Government as satisfying the provisions of this sub-section. I take it that it is correct.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar That is correct.

Mr. T. Chapman-Mortimer (Bengal European) Sir, I rise to support the motion before the House. There is very little I wish to say at this stage, though when we come to clause 4 I shall have a few remarks to make. The Bill as it has emerged from the Select Committee is in a form which I am sure will commend itself to all Honourable Members. It has cleared up one or two administrative difficulties and removed certain technical flaws which came to light during our discussions in that place. When we come to clause 4, as I have said, I shall have some remarks to make on the question of fees to be prescribed, but at this stage I only want to add just this, that there has been lot of misapprehension in the minds of certain Member as to the nature of the amendments sought to be made to the Act by this Bill and I do hope that Honourable Members will realise that Government in taking the action they have done now are simply trying to clear up practical difficulties of administration and are not doing anything which necessitates or should necessitate at this stage a great deal of fresh discussion and the taking up a great deal of time. Because I am quite sure that as Honourable Members are able to discuss their various difficulties with experts they will find that this Bill with its 71 clauses, though it looks formidable, is in fact much less formidable than it looks. Sir, I support the motion.

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division: Non-Muhammadan Rural) I am afraid the Honourable the Commerce Member is in a hurry. Sir, having some connection with insurance matters, I feel nervous at the hurry with which it is sought to pass such a big Bill and, therefore, I would have liked to hear from the Honourable the Commerce Member about the improvements he had made upon the original Act, after the Select Committee made its report. It is a big Bill with 70 clauses. Insurance matters are very intricate and complicated and require a good deal of study, calculation and experience in the line. When the Act was passed last time and when Sir N. N. Sircar sponsored the Bill, we had a discussion lasting over one month. The discussion went on from day to day and within two years from the date of passing that Act, it has been found wanting in many respects. When it was passed into an Act, we had felt various difficulties with regard to small companies and with regard to the starting of future companies. The controversy during the passing of the Act lay mostly in the following facts. There were companies belonging to India, United Kingdom companies, Empire companies, foreign companies and small companies. Every such company had to be taken into account and after entering into very detailed discussions and after a very tough fight between the oppositionists and the Government, the original Bill was passed into an Act.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member need not go into the past. He should confine himself to the Bill before the House.

Mr. Amarendra Nath Chattopadhyaya: I shall come to that

Mr. President (The Honourable Sir Abdur Rahim) It is no use taking up the time of the House regarding what took place at the time when the Insurance Bill was passed

Mr. Amarendra Nath Chattopadhyaya: The present Bill has become necessary on account of certain defects in the working of the original Act.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member may discuss the defects which this Bill seeks to remedy That is the scope of the discussion on this motion The Honourable Member cannot go beyond that

Mr. Amarendra Nath Chattopadhyaya: It is a fact that the Honourable Member has found difficulty in the working of the Act He has not given us any details regarding the real difficulties that are met with in the working of the Act We feel that the real difficulty lies in the interpretation given by the Superintendent in matters of initial deposits

Mr. President (The Honourable Sir Abdur Rahim) Is that dealt with in this Bill?

Mr. Amarendra Nath Chattopadhyaya: No, Sir

Mr. President (The Honourable Sir Abdur Rahim) Then the Honourable Member cannot raise that point

Mr. Amarendra Nath Chattopadhyaya: Sir, I find some difficulty, and, therefore, I mention it

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must confine himself to this Bill, it is an amending Bill

Mr. Amarendra Nath Chattopadhyaya: Sir, an amending Bill that has come from the Select Committee does also require some time for being discussed and should not be rushed through and it should not be discussed in a hurry

Mr. President (The Honourable Sir Abdur Rahim) Nobody says that. The only thing is that the Honourable Member must confine himself to the Bill before the House

Mr. Amarendra Nath Chattopadhyaya: Sir, the original Bill took

Mr. President (The Honourable Sir Abdur Rahim) It does not follow that if the original Bill took one month to discuss, therefore this must take half a month If the Honourable Member has not anything more to say

Mr. Amarendra Nath Chattopadhyaya: Sir, the object of the present Bill is the removal of some flaws and administrative difficulties which have come to light during eighteen months during which this Act has been in operation That is what the Honourable Member has said Sir, with that

in view, he has brought in some amendments which to me seem to be not acceptable and which contain provisions worse than the original Bill in some respects

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member has nothing to say about the present Bill itself? Unless he has something, relevant to this motion, to say—up to now he has not mentioned one word which is relevant to the motion before the House

Sir Cowasji Jehangir: My Honourable friend, Sir, has conceived many ideas, but has brought forth nothing

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member so far has been wandering outside the scope of the Bill

Mr. Amarendra Nath Chattopadhyaya: I thought I was free to discuss the present Bill in connection with the old Bill

Mr. President (The Honourable Sir Abdur Rahim) No, no

Mr. Amarendra Nath Chattopadhyaya: Therefore, I am now coming to the first point, that of renewal of registration Sir, the Indian Companies Act does not prescribe any renewal of registration and this present Bill has taken to an innovation in that respect Why should an insurance company be required to keep any register year after year? The Honourable the Commerce Member has not given us any reason for that, except that he wants money If that be the only reason, he should have found that in other ways than this It is a great handicap to the companies which are known to be the smaller ones and for companies which will be started hereafter Sir, there is also a penalty clause But even if a company is to be registered by the payment of certain amount, why should it not be automatically registered?

Sir Cowasji Jehangir: It is The Select Committee did it They cannot refuse They have only to pay the money and then it is automatically registered whatever happens The whole object of the Bill is that they want money

Mr. Amarendra Nath Chattopadhyaya: Why should it be the object of the Bill to get money? If Government maintain a very expensive Department, why should companies pay for that? That is the question which I put before the House and request Honourable Members to explain The renewal of registration itself is not desirable for a company which has already been registered under the Indian Companies Act and, further, agents are required to get their licences and the cost of licensing has been increased Now why should it be increased? The agents are poor workers who work for the companies, and formerly they used to get some commission That commission is now lessened, and even on that, they have to pay more licence fees That is also wrong Just because Government want money, therefore it must be had from any quarter whether they are able to pay it or not, whether it is equitable or not, fair or just or not fair and just—it does not care That is what I want to put before the Honourable the Commerce Member Sir, the first objection has reference to this renewal of licence by payment of licence fees year after year The next objection is that the insurance agents should not be taxed further

Mr. President (The Honourable Sir Abdur Rahim) Which clause is Honourable Member referring to?

Mr. Amarendra Nath Chattopadhyaya: I am speaking generally on all the provisions of the Bill

An Honourable Member: Clause 4, I think

Mr. Amarendra Nath Chattopadhyaya: Sir, the licence has been a handicap, and, further, increasing the licensing fees would be doing a wrong Sir, really speaking, the expenses of the Department may be enhanced to any amount at the sweet will and pleasure of the Government, but to meet that expense by taxing these companies is to do them harm, harm to the shareholders and all those who run the companies

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member has already mentioned that

Sir Cowasji Jehangir: These objections are to the clauses and they had better be dealt with when the clauses are before the House—that is the most convenient way of dealing with them

Mr. President (The Honourable Sir Abdur Rahim) Yes There are a number of amendments

Mr. Amarendra Nath Chattopadhyaya: Sir, the insurance companies do contribute to the central exchequer by means of the investments, and they naturally expect some return The enhancement of the income-tax is already there and in spite of that further taxation is being levied on them

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member has said that more than once

(The Honourable Member remained silent)

Honourable Member's pauses seem to take more time than the speech itself The Honourable Member had better wait till the clauses are discussed

Mr. Amarendra Nath Chattopadhyaya: I know, Sir, the Bill will be discussed clause by clause later

Mr. President (The Honourable Sir Abdur Rahim) That will be the best opportunity for the Honourable Member to discuss his points

(The Honourable Member again remained silent)

The Chair has to ask the Honourable Member to get on with his speech or to close his remarks The Honourable Member is making no progress at all

Mr. Amarendra Nath Chattopadhyaya: The matter is this You are asking me to speak simply on this Bill

Mr. President (The Honourable Sir Abdur Rahim) Rather on the motion before the House

Mr. Amarendra Nath Chattopadhyaya: But this Bill is comprehensive and consequently I have to take into account the original Bill

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot do that The Chair has already ruled it If the Honourable Member has no other remarks to offer, he must resume his seat

(The Honourable Member again remained silent.)

Surely, the Honourable Member ought not to waste the time of the House in this way.

Mr. Amarendra Nath Chattopadhyaya: Regarding the power of superintendence, it is really painful for me to draw the attention of the Honourable the Commerce Member With regard to the interpretations of the different sections of the Bill, he has already got

Mr. President (The Honourable Sir Abdur Rahim) Which is the clause the Honourable Member is referring to?

Sir Cowasji Jehangir: There is no such clause

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must confine himself to the Bill

Mr. Amarendra Nath Chattopadhyaya: It is the amendment of section 7

Mr. President (The Honourable Sir Abdur Rahim) The Chair should perhaps ask the Honourable Member to resume his seat

(The Honourable Member again remained silent.)

The Honourable Member must resume his seat

Mr. Amarendra Nath Chattopadhyaya: I am sitting down, Sir, but I do not know why?

Mr. President (The Honourable Sir Abdur Rahim) Because the Honourable Member does not know how to deal with the motion before the House

Mr. Muhammad Nauman (Patna and Chota Nagpur cum Orissa Muhammadan) Sir, it is really difficult to speak on the consideration stage of this Bill without making any reference to the previous Bill which has been passed in 1938 The difficulty is that the Honourable Member in charge of the Bill did not explain to us really in the most lucid manner that he should have done what difficulties he felt for which it was necessary to bring in this amending Bill The Members of the House are otherwise busy and it is really difficult to digest the interpretations which might be put on the amendments which had been made on the floor of this House Sir, if I am expected to discuss the clauses at the consideration stage, it will be rather out of the way The only general remark that I want to make is that so far as I have been able to compare the Bill, I do not see that there is much improvement effected so far as the insured is concerned Of course some improvements seem to have been made for affording certain

[Mr Muhammad Nauman]

facilities to the Insurance Companies But the Honourable Member has not given any particular clause or any amendments by which the rights of the insured have been preserved or a clause has been introduced by which the rights of the people who insure their lives and properties have been made more safe

Now, Sir, as a general remarks, I would like to know what is meant by sub-clause (a) of clause 3 which runs thus

"In the proviso to sub-section (1), for the words, brackets and figures, 'the expiry of one month from the commencement of the Insurance (Amendment) Act, 1940' the words 'such date as may be fixed in this behalf by the Central Government by notification in the official Gazette' shall be substituted"

In that case, it means that the Government will notify the dates in the *Gazette* and a particular stipulated time was not at least approved by the people interested in the Insurance Companies Personally, I feel that a limitation of period was better than the stipulation that it will be notified from time to time in the official *Gazette* Then, again, regarding the Superintendent of Insurance The powers which were conferred on him under the Act were sufficient and I cannot understand why the Honourable Member has thought it necessary to put in a proviso in sections amending same

Then, Sir, having regard to the general nature of the Bill, I find that two Members of my Party who sat on the Select Committee have appended a Note of Dissent I do not want to take the time of the House by reading them out but I do hope and trust that the Government have realised that it is not a Bill which could be rushed through or which should be passed without receiving the approval of the entire House Of course, it is a technical Bill There are the legal difficulties and there are also those difficulties which the Honourable Member might have felt in its working But I am not in a position to refer to clauses in the general discussion I must however, say this, that among the Members who have written a Note of Dissent is my eminent friend, the greatest financier and a man of great eminence, I mean Sir Cowasji Jehangir

Sir Cowasji Jehangir: We have only put on record where Government have met us We have asked two questions and we will refer to them when the clauses of the Bill are taken up The rest is to put something on record and we hope Government mean to confirm it.

Mr. Muhammad Nauman: What I was trying to make out before the House was this that we have not been able to appreciate the advantages of bringing this Bill at this stage At all events, we do not approve of the manner in which the Bill has been brought before the House With these remarks, I oppose the motion before the House, as everything is being rushed through

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, my Honourable friend, the last speaker, complained that I did not explain the provisions of this Bill Sir, it was at the stage when I introduced the measure that I explained some of the provisions of this Bill At this stage when the House is being requested to take the Bill into consideration, I could only refer to certain amendments which have been made by the Select Committee and explain to the House all the main amendments made and I thought I had successfully done so

With reference to policyholders, I am very glad that my Honourable friend, Mr Muhammad Nauman, is keen on safeguarding their interests and I certainly am also looking at the Bill from that point of view and he will find that section 61 has been specifically introduced in the Bill declaring the guaranteed surrender value to be known to the policyholder and that is a provision directly in favour of the policyholder because he is assured that he gets a certain value in case he is surrendering his policy. With reference to most of the other provisions regarding which amendments have been necessitated, I explained at an earlier stage that these amendments were required because the working of the Act had brought certain difficulties into light. I also stated on that occasion that various life insurance companies and their representatives had met the Commerce Department and the Superintendent of Insurance in particular and it is with reference to those discussions that were held that these amendments have been brought before the House.

Sir Cowasji Jehangir: I must add that the Honourable Member has been most reasonable throughout.

Dr. P. N. Banerjea: Does the Honourable Member's reply mean that there is an end of the debate? There are other speakers who wish to take part in the debate.

Mr. President (The Honourable Sir Abdur Rahim) The Chair waited for some time before it called the Honourable Member to reply. Nobody else stood up. The question is—

"That the Bill further to amend the Insurance Act, 1938, as reported by the Select Committee, be taken into consideration."

The motion was adopted.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair.

Mr. President (The Honourable Sir Abdur Rahim) The question is: "That clause 3 stand part of the Bill."

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions Non-Muhammadan Rural) Sir, I move

"That sub clause (b) of clause 3 of the Bill be omitted."

This clause seeks to amend clause (g) of sub-section (2) of section 3. Clause (g) provides that the prescribed fee for registration should not be more than one hundred rupees for each class of business. The proposed amendment seeks to raise the initial registration fee from Rs. 100 for each class to Rs. 500. Before dealing with this amendment I may be allowed to express our appreciation of this Bill so far as certain provisions are concerned, removing certain difficulties and giving some benefits to the policyholders. But so far as this particular provision is concerned I am afraid we cannot possibly support it. The proposal is to raise the initial fee from Rs. 100 to Rs. 500. I must say that this amount is very exorbitant and unreasonable and I may be permitted to make a passing reference as to how the existing provision of Rs. 100 was made in the original Bill. There was an amendment moved by the European Group that it

[Mr Akhil Chandra Datta]

should be Rs 50 and not Rs 100, and Rs. 50 not for each class of business but the total initial fee for all classes of business I mention this proposal of the European Group particularly because the European Party, generally speaking, are interested in big insurance companies, but all the same we are grateful to them that in the interests of the smaller companies that proposal was made by Sir Frederick James Two things should be noted The amount proposed was Rs 50 and that was the total fee for all classes of business Anyhow, that proposal was not accepted and Rs 100 was the amount fixed Now it is proposed to raise it to Rs 500. After all, what is the object of this Bill?

We have been told by the Honourable the Commerce Member that one of the objects, in fact one of the two objects, of this Bill is to ease the position of the insurance companies May I ask whether a provision like this is going to ease the position of the insurance companies or will impose fresh burdens upon them? Along with this financial provision we will save our time if I refer to two other amendments One is about the annual registration fee not exceeding one thousand rupees, that is for the insurers Then again for the provident societies the annual registration fee is Rs 200 Not only these big things but even the poor agent has not been spared His licence fee has been raised from Re. 1 to Rs 3. Therefore I say that all this is not going to ease the position of the insurers but will impose fresh burdens The Commerce Member told us that that was the object but in the Statement of Objects and Reasons I find that this is not the real object There it is said that the object is to raise revenue But is it proper to raise revenue like this from the insurance companies? After all, this is an infant industry in this country so far as the Indian insurance companies are concerned. During this time of war when the industry is admittedly hard hit,—I do not think any one will question the fact that their business has fallen,—is it proper that these fresh burdens should be imposed on these insurance companies? So, really, this increased taxation during the war is practically a war taxation and another edition, if I may say so, of the Finance Bill It is said that some of these provisions have been made to meet the wishes of the insurance companies But it cannot be said that this increase in the initial fee and the imposition of the annual fee, etc , will be for the benefit of the insurance companies, or for the matter of that, for the benefit of the policyholders But I need not labour this point. It is admitted in so many words in the Statement of Objects and Reasons that revenue is the only consideration, the one dominant consideration, for these new proposals War may require money but certainly this is not the quarter from which money should be expected. Before imposing these burdens at this time of war, it was certainly fair to consider whether this is the time at all events when such burdens can be imposed, without regard at all to the interests or the welfare of the industry and without any regard to the question as to whether these are burdens which these infant Indian institutions can bear.

Now, it is said that a lot of money is required for the administration of the Department On that question we are in a position of disadvantage, because we have got no materials on that point before us We have not been given any materials The question is what are the total costs of the administration of the Insurance Department? What is it now that is being received from the insurance companies and what is the deficit?

What is likely to be the yield of the proposed taxation? These are figures which have not been given to us. If you really ask us to vote a thing like this, why should you not take us into confidence? Let us have the figures so that we can vote intelligently and with some sense of responsibility. In the absence of these figures, I shall ask the Honourable the Commerce Member to consider this. If, without giving us these figures, you ask us to vote for this taxation, you really ask us to do something which is not proper for us to do. May I say this also, that in these matters I really feel that we are entitled to claim more from the Honourable the Commerce Member, a non-I C S. Indian, than we can expect reasonably from the other members of the treasury benches. There is another reason. You talk of the cost of administration. Insurance companies certainly make a substantial contribution towards the revenues of the Central Government in the shape of income tax and in other ways. So this requires the serious consideration of the Honourable the Commerce Member. We are nobody here; we are not in the picture at all. When we move an amendment, we move it for the consideration of the Honourable the Commerce Member. If he agrees, well and good; if not, it is lost. Therefore, may I remind him of what he told us when moving the Select Committee motion—he told us very fairly and very frankly that these proposals in the Bill are not the last word, and in fact there is room for further consideration. That was his very significant observation. May I hope that this provision in the Bill, even as it has emerged from the Select Committee, is not the last word and that there is room still for further consideration? Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That sub-clause (b) of clause 5 of the Bill be omitted."

Sir Cowasji Jehangir: Mr President, I am certain all Members of the Select Committee regretted the absence of my Honourable friend who has moved this amendment, from the proceedings of the Select Committee. We were given to understand that he was unavoidably absent. If he had been present . . .

Dr. P. N. Banerjea: You ought to have postponed the sittings

Mr. Akhil Chandra Datta: I sent a wire from Calcutta for postponing

Sir Cowasji Jehangir: I do not know whether Select Committee meetings can be postponed for one Member—that is for the Commerce Member to reply . . .

Mr. Akhil Chandra Datta: Not one, but more than one

Sir Cowasji Jehangir: As far as I am concerned, I should have been against any postponement—I frankly say so, because, it would be most inconvenient for everybody to have postponed the Select Committee's proceedings; but that is neither here nor there. I only expressed my regret at his absence; and I realise that it was for unavoidable reasons. But if he had been present, I think a good many of the remarks he made would have been made in the Select Committee and would have been

[Sir Cowasji Jehangir.]

answered The main point my Honourable friend has made is that small companies are now being taxed. That is a fact. This Bill is for the purpose of raising money for the running of the Department, and it cannot be denied; there is no doubt about it. The amendment he moves is one which will not save very much to insurance companies. When a new insurance company comes into existence, according to the Act they have to pay a fee of Rs 100 maximum. The Bill raises that initial fee to Rs 500. My Honourable friend objects to that. He may have very good reasons for objecting, but I would point out that considering the other measures of taxation that he embodied in this Bill, the one he has alluded to is comparatively a small thing. It is one fee paid when a new company comes into existence and that fee is never paid again, and I would ask my Honourable friend that if an insurance company is brought into existence and if it grumbles about paying an initial fee of Rs 500—one fee—the financial stability of that company cannot be very good, and he ought to be the last person to encourage life insurance companies coming into existence who cannot even afford to pay once Rs 500 as an initial fee.

Then, my Honourable friend raised a question of how this Department is going to be financed in the future. Up to now, Government have undertaken the financing of this Department except with a very small amount which comes from the fees paid by agents. Government have now come to the conclusion that this Department which has been brought into existence for the benefit of insurance companies should be financed, partly at any rate, by the insurance companies themselves, but I am not going into what this Department is going to cost Government—that is for my Honourable friend, the Commerce Member, to explain—but I will say one thing, that he did explain all the figures not only to the Select Committee, but even to representatives of insurance companies who met him on more than one occasion to my knowledge, and in fairness to him

Mr. Akhil Chandra Datta The Bill is to be passed, not by those people, but by the Members of this House

Sir Cowasji Jehangir: This is one of those matters that can only be discussed fairly and squarely in the Select Committee, and it was done in the Select Committee. The point I was trying to make was that all these figures were given to the Select Committee and to the representatives of insurance companies who met the Honourable the Commerce Member on more than one occasion, and, I am sure the representatives of those insurance companies would now like me to express their thanks to the Commerce Member for the great courtesy he showed them throughout, while discussing this Bill. I know to my knowledge that he spent hours with them—they have told me so.

Now, Sir, I am not going into those figures as to what amount the Department is going to cost—I will leave that to the Honourable the Commerce Member—he will give those figures, as he gave the figures to the Select Committee. But I am interested in one point which I have mentioned in my Note. Naturally, we asked what would be the contribution of Government towards the running of this Department, and we were told that Government at present could not afford to give more than a lakh and fifty thousand rupees, and that the insurance companies would have to make up the balance, whatever it was. Well, we thought that rather hard on insurance companies and somewhat uncertain. Some representatives of

insurance companies, and perhaps some of the public, are of the opinion that a Department like this, which is for the benefit of hundreds and thousands of people who are insured, should be borne by the taxpayer. Government may have other views. That is only one point of view. Some insurance companies are of opinion that it is equitable for Government to call upon them to contribute, but that contribution should also be equitable, and when we are told that Government will not contribute more than a lakh and fifty thousand rupees, we feel that some assurance should be forthcoming from Government that that figure of one lakh and fifty thousand will not be a permanent figure. If the activities of the Department expand, if more insurance companies come into existence, as they are bound to do, then Government will, in equity, see that their contribution is more than one lakh and fifty thousand. Therefore, I do ask at this stage for an assurance from my Honourable friend, the Commerce Member, which I have already stated in the Note signed by myself and by two of my Honourable friends of the Muslim League Party. What we have said is this and I shall read it out so that it may go on the records of the House.

"We were also given to understand that Government's contribution to the cost of the working of the Department would not be more than one lakh and fifty thousand rupees. We would like it made clear that Government's contribution will not be less than one lakh and fifty thousand, and that in the future, if circumstances demand this contribution will not be the maximum."

I would like an assurance from my Honourable friend, the Commerce Member, to this effect. If that is obtained, I for one would be satisfied that on this amendment itself which has been moved by my friend, the Deputy President, there will be nothing further to say. I will repeat my point of view. This is one fixed contribution that insurance companies are asked to pay when they come into existence. Whether it should be Rs 100 or Rs 500 as the maximum is the issue before the House, and I do contend that if new insurance companies come into existence, they should have enough financial stability so as to be able to pay Rs 500 as an initial fee. When we come to the question of contributions to be made every year to Government, then the matter will be entirely different. We have discussed that in the Select Committee, and we will discuss it on clause 4. I would suggest to my friend, the Deputy President, that this is a small matter compared to others that we shall discuss. If we get the assurance that I have asked for from my Honourable friend, the Commerce Member, that the contribution of Government will be minimum one lakh and fifty thousand, and that in the future it will not be the maximum, it will be above one lakh and fifty thousand if circumstances demand, I feel we should all be satisfied.

I would take this opportunity to thank,—and this is not mere empty thanks, but I do express my thanks most sincerely to the Commerce Member,—for the very serious consideration he gave not only to the Bill, but to all that we have said and for the ready manner in which he met many of the suggestions which are now embodied in the Select Committee's Report and in the Bill. I would like to make this acknowledgment publicly. It is not often that I get an opportunity of making such expressions of thanks to members of the Government. He has been dealing with the Bill in a most exhaustive manner, and we have to thank him considering the strength of the opposition that exists in the House today. On the whole, we feel that with the exception of one or two small things that we may discuss later on, the Bill is fairly satisfactory. If anybody contends

[Sir Cowasji Jihangir]

that insurance companies - should make no contribution, then they are against the Bill altogether. Having admitted that some contribution has to be made or should be made, I consider that the terms of this Bill are fair and equitable.

I would also mention one thing more, Mr President, for the benefit of my friends who are interested in small insurance companies, and that is that the Select Committee's mind was concentrated on these small companies. This Bill does not affect big companies, it affects small companies and the mind of the Select Committee was concentrated on the interests of these small companies. And speaking for myself, may I be allowed to inform my friends that whatever amendments that have gone into the Bill suggested by Members of the Select Committee, are entirely in the interests of the small companies. Therefore, I do hope and trust that my friends who are interested in these small companies will realise that the Select Committee have done their best under the circumstances. After all, it is a pill to swallow by way of taxation. We know we have had to do a great deal of swallowing of such pills, and this pill will be one more, which has more equity behind it than other taxation Bills we have passed.

Mr. T. Chapman-Mortimer: Sir, the Honourable the Baronet from Bombay has touched on an aspect of this matter, to which I should like to add a few words. I think there has been a good deal of misunderstanding arising out of a point which was made in the Statement of Objects and Reasons in the Bill as originally introduced where it was indicated that the scale of charges to be levied by way of fees should be such as to bring in a sufficient amount to make the Department self-supporting. Well, Sir, this is a matter of principle, to which we in this Group attach a very great deal of importance. We can appreciate that in any calculation which Government may make in arriving at the scale of fees to be charged, obviously they must have some regard to the amount of money that they want to raise. At the same time, Government have a clear duty to administer certain laws, and certain Departments, in the interests of the public and our point is that we consider that the principle of earmarking certain revenues for the support of these Departments is fundamentally wrong. It is a point which has come up in the United Kingdom, and it is a point which has cropped up in various Provincial Governments in this country. It is a most objectionable principle, and I cannot express too strongly the views of this Group on the point.

Now Sir, the Government have given us certain assurances which we very much welcome and appreciate. They have also in the Select Committee stage undertaken that a sum of approximately one lakh and fifty thousand rupees will be made available towards the cost of this Department. But what is the position going to be as the Department grows, as it must inevitably grow and as it grows more money will be needed. Is the attitude of Government going to be—we have given one lakh and fifty thousand rupees and that will be the only amount of allotment towards the expenditure of this Department, and that anything beyond that must be raised by way of fees? If that is the attitude of Government, Sir, then we on these benches most strongly protest against it. We know perfectly well that they must have money, we know perfectly well that in making calculations of this kind they have to have regard to the nature of the

expenditure involved, but the principle is absolutely wrong that they should mulct a certain small section because it happens that that section is an easy target and is well-to-do. Most insurers, even small insurers are able to pay more taxation than other people. Further, more, they are very big payers of income-tax and other direct taxes of that sort. Now, Sir, I know there is this temptation on the part of the Government—namely, the temptation to finance a Department by the earmarking of funds levied under their rule making powers. I am not particularly charging the Honourable the Commerce Member, with it, but he has, unfortunately, in the Statement of Objects and Reasons of the original Bill, used certain words which have certainly aroused anxiety in regard to the Government's attitude towards this principle, and I hope to hear from him that he shares our feelings in the matter, and that in future perhaps Government will be rather careful not to give the kind of reason in their Statement of Objects and Reasons they have given as a reason for levying taxation in this indirect manner because that is what it amounts to.

We are giving Government power under the rules to levy certain fees. They can do that at their own sweet will. It is perfectly true that they have to lay these on the table of the House but that is not quite the same thing as coming to this House for money for the Department when it needs more money. We therefore, should like to record our strong protest against any suggestion that that is so. If the Honourable the Commerce Member can issue us, as I hope he can, that, as this Department grows more money will be forthcoming, we should welcome it. We realise that he cannot bind the Finance Member, still less can he bind future Finance Members. But it should be recognised by Government that in the case of a Department of this kind which must grow in the interests not of insurers but of the public, Government will find the funds to meet the extra cost of the Department as it is required. Sir, I oppose the amendment.

Mr. M. S. Aney (Beta Non-Muhammadan). It is the elucidation of the principle to which my Honourable friends, Sir Cowasji Jehangir and Mr. Chapman-Mortimer, have rightly taken exception to, that has made me to rise in my seat and give my support to the objection taken. I think it is really a fundamental mistake on the part of the Government to expect that the Government Department shall be dependent solely upon the income that they will be able to raise by way of fees and other revenues under the powers given them under the Bill. The Government's assurance that they will be able to contribute Rs. 1,50,000 may for the time being go to allay the apprehensions of the people, but, as was pointed out, as the Department grows, the expenditure may increase, and once this principle is conceded, there is no knowing how the Government will be tempted to abuse the powers to increase the levies to make up deficit or the extra expenditure that they may have to incur. In my opinion, this in itself is a wrong principle. Further, there is a greater danger in accepting this principle. If the Department's existence is going to depend largely upon the revenues to be derived from the insurance companies in this form and that form, I believe the Department will be influenced more by those who make a larger contribution to the Department in the form of fees, and the bigger insurance companies will directly and indirectly be more responsible in controlling the Department than those

[Mr M S Aney]

nigligible parts of the insurance world, I mean, the smaller companies. This is a danger of a more serious nature in my opinion, a danger that is likely to affect the independence which the Department must always be in a position to exercise if it is to carry on its duties to the satisfaction of the insured and insuring world.

Sir Cowasji Jehangir: I may point out that there is a much greater danger that the Department may be inclined to become extravagant if the insurance companies are going to pay the balance while the Government's contribution is limited. It is a check on that extravagance that we desire. If Government are going to contribute more, then the Finance Department will look after the interests of the taxpayer better and put a curb on the extravagance of the department.

Mr. President (The Honourable Sir Abdul Rahim) The Honourable Member is making a speech

Mr. M. S. Aney: That was the second point that I was going to come to. I am glad that my Honourable friend who omitted to mention that point in his speech, has himself expounded it, while I was going to make a reference to it. There is not only the danger of the independence of the Insurance Department being in jeopardy on account of the greater control of the bigger companies being exercised on account of the larger contribution that they make,—there is also another danger that the control which the Finance Department ought to ordinarily exercise over the department in the matter of expenditure may not be so rigid and strict as it should be. So, the danger of extravagance is also there. In view of both these dangers I consider that the principle on which this Bill is based is vitiated at its very inception. Of course, I do not think that there is anything wrong in demanding an initial fee at all. What should be the amount of that fee is a different question, and considering the circumstances under which the insurance companies that are working now and the new companies that will come into existence, will be placed, a demand for an initial fee of Rs 500 is a matter which deserves to be seriously considered before the House can commit itself to that position.

Dr. F. X. DeSouza (Nominated Non-Official) This Bill is nothing if it is not outspoken in the Statement of Objects and Reasons. Frankly speaking, the object of the Bill is to squeeze out more money from the Insurance companies.

Mr. M. S. Aney: This is the third Finance Bill before you

Dr. F. X. DeSouza: Para 4 of the Statement says

"The Bill also provides for an annual fee for renewal of registration of insurers and provident societies and for an increase of the fee charged for agents' licences. These provisions are necessary in order to increase the realisations under the Act so as to cover the present direct cost of administration."

Frankly, this is a Taxation Bill. I suppose I have some responsibility to this House and to the country. If as a responsible Member I am asked to vote on the provisions of this Bill, I ask, has the Honourable Member

treated me as a responsible man? Has he put before me or any of the other Members what exactly is the present expenditure on the Department?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The Honourable Member as a responsible Member of this House has studied the Budget which the Honourable the Finance Member introduced the other day, if so, he will find from the Budget, figures of the present expenditure of the Department.

Dr. P. N. Banerjee (Calcutta Suburb Non-Muhammadan Urban) Is it possible to curtail that expenditure?

Dr. F. X. DeSouza: Has any effort been made to scrutinise that expenditure, to curtail that expenditure, has it been subjected to any examination by anybody? It is all very well for the Department to say, "Oh, Yes We want money to run the show efficiently We want more money You, small companies, are spending more money than the bigger companies for the same service You want to vie with big companies You are having more staff We want to check that" Has any examination been made by a responsible individual or responsible committee as to what exactly should be the expenses that should be incurred by smaller companies Nothing of the kind It is a case of the pot calling the kettle black Government say, "You insurance companies are extravagant" The small insurance companies retort "You Government Departments are extravagant I suggest that before we are called upon to vote for higher figures now demanded as fees, some explanation should be given to us as to the indispensable expenditure on the Government Department, and a reasonable figure for expenditure on a small company When we compare those, then only shall we, as responsible Members of this House, be in a position to say whether an enhancement of the fee now charged should take place

Apart from that general question, I ask whether this is the proper time for a levy of enhanced fee or for introducing renewal fees on small insurance companies Everybody knows the war is on Business is slack The income of insurance companies is dwindling They will all tell you that lapsed policies are frequent They will all tell you that applications for surrender values are plentiful and yet you tell them 'Pay and go on paying more and more' How can we pay at this time? Do you want to kill these companies Many representatives of the smaller companies think that this is the thin end of the wedge and that Government do not wish the smaller companies to thrive in this country and they want to kill them and that they want the foreign companies to work here I do not believe that Government have any such malicious motive but the effect of these enhanced fees and increasing the renewal fees will certainly be that a good many of the small companies in the mofussil and in the provinces will have to close down I do not wish to elaborate the point further because I have put in several amendments about the renewal fees and the registration fees but at the present stage all that I ask the Government to do, before rushing this Bill through, is to put before the House a statement showing the absolutely necessary cost of the expenditure of the Government Department and the average cost of the expenditure of an ordinary company and when we have satisfied ourselves whether

[Dr F X DeSouza]

the companies are extravagant or the Government is extravagant, then we shall be in a position to give a responsible vote Otherwise it will be an irresponsible vote

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:
 Mr President On this particular amendment of the Honourable the Deputy President, the discussion has ranged over a wider field than was anticipated by me I am glad that that discussion has ranged over a wider field because it affords me even at this early stage an opportunity to make the position of the Government clear So far as the particular amendment of the Honourable the Deputy President is concerned, my friend, Sir Cowasji Jehangir, has pointed out that the levy of Rs 500 is only on new insurance companies which may hereafter come into existence The Act has all through made a differentiation between the new insurance companies which may hereafter come into existence and old insurance companies that are already in existence My Honourable friend referred to a motion, an amendment which was moved by the European Group on the last occasion but he will notice that that amendment related to existing companies, the companies which have already come into existence and it certainly would have been a hardship if they had been asked to pay a very high registration fee but new companies are treated in a different way The deposits that they have to make under clause 7 are higher than that which existing companies have to pay and I do not think any long justification is necessary from me for commending this particular proposal to the House

A more interesting discussion ranged over the question of whether the Government was committed to the policy of making this Department self-supporting I may at once say that we are not committed to any such policy The Honourable Member referred to the Statement of Objects and Reasons and my friend, Dr DeSouza, read out that portion of it Clause 4 of the Statement of Objects and Reasons makes it clear that these provisions are necessary in order to increase the realisations under the Act, so as to cover the present direct cost of administration I underline the words 'present cost' It does not commit the House to a policy that whenever the cost of administration of this Department increases the whole of that increase should be borne in one way or other by the companies or the agents or the interests concerned I did not put that forward as a proposition at all and neither is there any question of earmarking the funds for any particular purpose

Dr. P. N. Banerjea: Covering cost means that

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar:
 The words have to be very carefully considered Emphasis is not only on the word 'present' but also on the words 'direct cost' Now, direct cost as opposed to indirect cost has a special meaning in finance Indirect costs are those relating to pensions and things like that and that is excluded from this statement but apart from that I myself do not feel that I can lay down here and now that the maximum contribution which the general taxpayer will pay for the cost of this administration is the lakh and fifty thousand provided in the Budget this year I do not commit this House nor am I committing myself to the position that that is the maximum that

is to be paid. If at any time the Department is so expanded that further sources of revenue have to be explored, the question of what further direct contribution the general revenues also have to make towards that additional expenditure will have to be considered. I know that there has been some little apprehension on the part of the insurance companies that if the whole of the extra cost has to be borne by the insurance companies on the one hand, there may be an extravagant growth of staff. On the other hand, it may be an easy way of getting more money from the insurance companies. I should like to disabuse them altogether of that idea. I do not think I should like to come forward even in this thin House with a proposition like that.

Dr. P. N. Banerjea: Your successor may do it

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I do not think that I or any successor of mine will lightly come forward and ask for a contribution from the insurance companies or their agents without at the same time putting before the House the whole position from the point of view of the general taxpayers and the general revenues. At present, I have got the maximum that I can get from the Finance Member for the running of this Department and I feel that with my responsibility to this Department I cannot administer it properly if the staff is not expanded and the only way I can expand that staff is by getting additional resources from the interests directly concerned. Let me say one thing more. This proposal has been called a taxation proposal. Any proposal that seeks to augment the revenues of the Government is in that sense a taxation proposal but it has been necessitated in the interests of the companies themselves. When I examined the complaints that have been made about the delay in the disposal of applications by agents of companies, the delay in looking into various questions relating to the insurance companies and sending proper replies to them at the proper time, I felt convinced that it was absolutely impossible for the Superintendent of Insurance with the very inadequate staff at his disposal to do anything more than what he is doing and therefore in that sense this proposal is really in the interests of the insurance companies and the interests involved in insurance companies and it is from that point of view that the proposal of raising these additional revenues has been put forward and I trust that with the explanation that I have suggested, the House will accept the proposals put forward in the amended Bill.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That sub-clause (b) of clause 3 of the Bill is omitted."

The motion was negatived.

Mr. Akhil Chandra Datta: Sir, I move

"That for sub-clause (b) of clause 3 of the Bill the following be substituted
'(b) in clause (g) of sub-section (2), for the words 'one hundred rupees' the words 'two hundred and fifty rupees' shall be substituted'"

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That for sub-clause (b) of clause 3 of the Bill the following be substituted
'(b) in clause (g) of sub-section (2), for the words 'one hundred rupees' the words 'two hundred and fifty rupees' shall be substituted'"

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member may now speak on his amendment

Mr. Akhil Chandra Datta: Sir, the amendment which I have moved, whether it is acceptable or not, speaks for itself, and no speech is necessary

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I oppose the amendment

Mr. Akhil Chandra Datta: You are taking advantage of my abstention, from making a speech, I wanted only to save time

Mr. President (The Honourable Sir Abdur Rahim) The question is "That for sub clause (b) of clause 3 of the Bill, the following be substituted '(b) in clause (g) of sub section (2) for the words 'one hundred rupees' the words 'two hundred and fifty rupees' shall be substituted'"

The motion was negatived

Dr. P. N. Banerjea: Sir, I move

"That in sub clause (c) of clause 3 of the Bill, in the proposed words after the proposed clause (e), after the words 'Superintendent of Insurance may' the words 'with the sanction of the Court' be inserted"

Sir, this part of the clause which we are considering at the present moment refers to the cancellation of registration. As it at present stands, it reads thus

"and the Superintendent of Insurance may cancel the registration of an insurer if the insurer has failed to have the registration renewed"

Now, Sir, the cancellation of registration is a very drastic punishment. Other punishments may be awarded, and in any case, before the final and drastic punishment is awarded, I think the matter should have the sanction of the Court. That is the object of my motion. If this is not done, the Superintendent of Insurance will be vested with very great powers, and he may be in a position to kill companies which incur his displeasure. There should be some safeguard and the safeguard which I propose is that this cancellation should be only with the sanction of the court.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub clause (c) of clause 3 of the Bill, in the proposed words after the proposed clause (e), after the words 'Superintendent of Insurance may' the words 'with the sanction of the Court' be inserted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, this is merely a question of the cancellation of registration if the renewal fee is not paid, there is no other consideration, and there is no need for the Court to adjudicate on such an issue. There is a penalty clause and the Superintendent of Insurance can, at any time, as soon as the penalty is paid, excuse the insurance company concerned.

Dr. P. N. Banerjea: It is entirely at his discretion

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: There is no discretion at all in this matter. The moment a renewal fee is

paid, he is bound to restore the registration. It is not one of those cases where there is any discretion on the part of the Superintendent of Insurance, and I do not see how the Court can go into this matter, it would merely mean that it will be impossible for a long time to collect the renewal fee.

Mr. Lalchand Navalrai (Sind Non-Muhammadan Rural). Sir, it is clear that the power is solely in the hands of the Superintendent of Insurance, and, as the explanation has now been given by the Honourable the Commerce Member, he says that if he does not pay the renewal fee, then only he can cancel it. But in not paying the renewal fee also, there are several questions to be considered. He may have certain reasons, and it may be that those reasons may not appeal to the Superintendent and may appeal to an authority higher than that. At any rate to give this power exclusively into the hands of the Superintendent without any further check over it is not desirable, if there had been any check provided in the Act, that would have been a different question. Sir, from my own point of view, my feeling is that if I have not paid the renewal fee for very just and reasonable causes, then

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Can the Honourable Member give the House any indication of what those just and reasonable causes are—not for the man, but for the company?

Mr. Lalchand Navalrai: Yes, for the company also, I say, they may have certain reasons. It may have gone to pay, and it may not have been accepted, there may be many many things like that. That is only one reason, there may be several reasons. It is for the Honourable Member to understand that there are several reasons, and to give that power into the hands of the Superintendent is not desirable, there should be some check over it, and as it is, I feel that there should be some check. For these reasons, I support the amendment.

Mr. President (The Honourable Sir Abdur Rahim). The question is that in sub-clause (c) of clause 3 of the Bill, in the proposed words after the proposed clause (e) after the words "Superintendent of Insurance may" the words "with the sanction of the Court" be inserted."

The motion was negatived.

Dr. P. N. Banerjee: Sir, I move

"That in sub-clause (c) of clause 3 of the Bill, in the proposed words after the proposed clause (e), for the words "have the registration renewed" the words "pay the annual fee" be substituted."

In the Statement of Objects and Reasons appended to this Bill it has been mentioned that money is the principal consideration in regard to the renewal of registration, and this morning the Honourable the Commerce Member made that point perfectly clear. He said that it is only a financial provision and it has no other purpose. If that be so, I should like to re-word the provisions of this section. We should, instead of making it obligatory on the insurer to have his registration renewed every year, do something else. I say let him pay an annual fee. Now as regards the renewal of registration, there are many difficulties, and I may point out to this House that this renewal is not the rule in Great Britain. There is no renewal of annual registration in the United Kingdom, and so far as

[Dr P N Banerjea]

I know there is a provision for renewal of registration only in Canada I do not think there is such a provision in any other country

Now, we all know that the insurance laws of Canada are exceedingly stringent, and why should we go to that country in order to import our provisions in this regard? If the payment of the annual fee is the only thing that is needed, why not state that in clear terms? Why leave any ambiguity in this matter? I think that the provisions relating to renewal of registration will lead to many difficulties and they will hang like a sword of Damocles on the heads of the smaller and younger companies. Their opponents may urge that next time the companies' registration would not be renewed. Propaganda may be made against them. My Honourable friend by my side has just pointed out that it will be an automatic renewal of registration. If that be so, why don't you put it in the form of payment of an annual fee? Why do you make a renewal of registration compulsory? Various things may happen. Suppose the application is not quite correct and when it reaches the Superintendent of Insurance, he may find some flaws in it. What will happen then? There will be delay and as soon as the year is out, the registration is automatically cancelled. This is wrong. Why should the sword of Damocles always hang over the heads of the young and the small companies? It does not affect, I know, the bigger companies. As Sir Cowasji Jehangir has pointed out, this Bill affects only the smaller and the younger companies, and it does not affect the bigger companies. But we should not look to the interests of the smaller companies. It was said by my friend, Dr DeSouza, that people are under a misapprehension that it is the intention of the Government to kill the smaller companies in the interests of

Sir Cowasji Jehangir: May I point out to the Honourable Member that the Select Committee has done exactly what he wants. The Commerce Member will point that out to him

Dr. P. N. Banerjea: I will tell you what the difficulty is. Dr DeSouza said that there was a feeling in some quarters that in the interests of the bigger companies and the bigger non-Indian companies, the smaller companies were to be sacrificed. I do not think that is the intention of the Government, but there is that feeling. Why should there be that feeling? You should remove that feeling by making a straightforward provision. Why are you making a round-about provision like this? Why are you making it compulsory to have the registration renewed every year? You may say that every insurer must pay an annual fee and if that annual fee is not paid, then the registration may be cancelled. That would be a very straightforward course to take. Why do you insist on registration being renewed? Does that practice exist in the United Kingdom? Why should we think here of those things which do not exist in the United Kingdom or most of the other countries of the world? Various things may occur. For instance, there may be a dispute as to the amount which is to be paid annually. The amount according to the Schedule which was read out this morning would vary from Rs 50 to Rs 1,000. As regards the calculation of the amount to be paid by each insurer, there may be a difference of opinion between the insurer and the Superintendent of Insurance, and on that ground the Superintendent may hold up the renewal of registration. As soon as it lapses, he will say the registration has lapsed and no renewal is possible. The Superintendent of Insurance is not necessarily an ideal

person He may or may not be fair-minded He may have some grudge against a particular Insurance Company and he may give that company the extreme penalty Why should we invest the Superintendent with such a power? It is not necessary at all If the object is merely to collect money, let us say it in a straightforward manner that every Insurance Company shall pay an annual fee and let the fee be fixed in this Bill Sir, I urge that this amendment be considered carefully by the Honourable the Commerce Member and by this House

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub-clause (c) of clause 3 of the Bill, in the proposed words after the proposed clause (i) for the words 'have the registration renewed' the words 'pay the annual fee' be substituted"

Mr. T. Chapman-Mortimer Sir, I think the Honourable the Mover of this amendment is under a misapprehension It is quite true that in the Bill, as originally proposed, this point to which he has drawn attention was not clear There was no doubt then that if that had remained in its original wording, all that he has stated would have been correct But, as a matter of fact very careful attention was given to this point in the Select Committee, and the Government I am very glad to say, accepted the amendment proposed to get rid of all this doubt and misapprehension to which the Honourable Member has drawn attention Sir, I really feel that he should withdraw his amendment

Dr. P. N. Banerjea: May I ask a question? Will it be necessary to make an application?

Sir Cowasji Jehangir: No

Mr. T. Chapman-Mortimer. The Honourable Member has really to read clause 4 with this clause in order to understand the point fully If he reads clause 4 carefully and the new section 3A, he will see that the two clauses taken together make the position quite clear I would assure him that most careful attention was given to this point in the Select Committee and I know I am speaking also for my Honourable friend from Bombay when I say that he pressed this point very strongly on Government, and Government, I repeat, were good enough to see their way to accept the amendment and make the position absolutely clear It is now automatic Of course, an application has to be made annually in the proper form because you have to pay your cheque or notes along with some form otherwise you cannot make the proper payment to the Government

Dr. P. N. Banerjea: It may be argued that the application is not in the proper form

Mr. T. Chapman-Mortimer: The Doctor in this case is not showing his usual learned perspicacity The point was carefully considered and necessary and suitable amendments were moved and accepted by the Government Then, Sir, I draw your attention to the new section which was inserted in clause 4 as sub-section (3), which runs thus

"The prescribed fee for the renewal of a registration for any year shall be paid into the Reserve Bank of India, or, where there is no office of that Bank into the Imperial Bank of India acting as the agent of that Bank, or into any Government

[Mr T Chapman-Mortimer]

treasury, and the receipt shall be sent along with the application for renewal of the registration "

The point there is this It is not that you should have all your forms submitted again to get a registration, but it is simply to give evidence that you have, in fact, paid the fee As soon as that evidence is forthcoming, it then all becomes automatic Sir, I oppose the amendment

Dr. F. X. DeSouza: Sir, my Honourable friend who has just spoken against this amendment has spoken from the point of view of a *Bara Sahib* of Calcutta and not the humble individual who is the manager of a small company in the mofassil If the humble individual had to make his application in the prescribed form and pay the prescribed fee to the mighty personage called the Superintendent of Insurance in Simla or Delhi, anybody who is familiar with the procedure of Government offices in this country will agree that he will have to wait long for an answer We all know the harassment to which such applicants are subjected by petty clerks in Government offices and their underlings who do not miss a single opportunity of squeezing a little *Bakshish* from them Why should you expose the general manager of these small companies to all this harassment? Frankly speaking, the renewal is made automatically The sole object of this section is to recover a certain fee Why not then simply say "Pay that fee" without exposing the man to all the harassment, the trouble and the annoyance We do not know what may happen to the application when it comes to be considered on the Olympic heights of Simla I feel great trepidation when I contemplate this I am speaking for the ordinary small insurance companies

Sir Cowasji Jehangir: You were a High Court Judge Is the wording clear to your mind? Are you satisfied with the wording? Are you satisfied with the amendment that is made in the Bill?

Dr. F. X. DeSouza: It is not clear, and that is why I got up to speak

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, as I was listening to my Honourable friend, Dr F X DeSouza, whom I have known so well for several years, I was myself in a state of trepidation and I was about to ask the House that if they had any tears to shed to be prepared and to shed them now for the *chota sahib* of Mangalore No, Sir I do not think my Honourable friend, even in his enthusiasm for advocating the cause of young life insurance companies has done justice to what the Select Committee has done in this matter If my Honourable friend will look at the Bill as it was introduced, he will see that the clause read that "application should be made in the prescribed manner", and the suspicion of the Select Committee was that 'prescribed manner' may mean prescribing various forms and conditions which are unconnected with the mere receipt of additional revenue from the insurance companies They took that into consideration and said this must be an automatic renewal of registration and the only thing that is to be done is for the insurance company to satisfy the Superintendent of Insurance that it has deposited the renewal fee in the Reserve Bank or a Branch of the Imperial Bank, attach that receipt to a letter that it may send in any form whatsoever There is no question of approaching the underlings, except it be the underlings of my Honourable friend, Sir Gurunath Bewoor, of the Postal Department There is no question of any direct

contact with the Superintendent of Insurance or with any of his subordinates. It is purely a letter which is carried as His Majesty's Mail from Mangalore to New Delhi or Simla, carrying this precious receipt of renewal fee of my Honourable friend's company or of the company in which he may be interested and enclosed with that receipt a bare letter to the Superintendent of Insurance saying herewith my renewal fee, please renew my registration. There is no form going to be prescribed, no set words which are going to be printed, no additional information which is going to be asked from the company. All that is required is a receipt from the Reserve Bank or any branch of the Imperial Bank attached to a letter on which must be shown obviously the name of the company which is sending the receipt.

Mr. M. S. Aney: Sir, I am glad the Honourable Member in charge of the Bill has made the position perfectly clear as to what the application should mean. With that assurance of course there will be little difficulty in accepting the clause as it is found. In that case, I must say, if that is the sole object, if that is the real object, if the object was that there should be automatic renewal on payment of the fee, then I am sure the wording in the sub-clause need not be so elaborate as it is made here at present. That could have been arranged in a very different way and in a few sentences even. I can not give much credit to the draftsmen of this clause, if that was the only object. Where is the need for the wording 'application for renewal of registration' to be made by the insurer? That means an application has to be made to the Superintendent of Insurance. It also means that the application is to be accompanied by a receipt for payment of money deposited somewhere. These two things have to go to the Superintendent of Insurance. Whether it is a particular form prescribed or not is a different matter. Failure to send that application involves a penalty which is mentioned here. So the importance of an application being made to the Superintendent of Insurance within a certain time is there. If the idea simply was that on payment of a certain sum of money on a particular date or by the end of the year, renewal of the licence should automatically take place, then the only thing that is required to be mentioned in this clause is "On production of a receipt by the insurer on a certain date of the money required to be paid the company shall be declared as renewed or its license shall be declared to have been renewed". Some such wording would have been sufficient. My point is that all the elaborate wording in the clause is not necessary. It makes a distinction between application and receipt and the accompanying of the application with a receipt.

Sir Cowasji Jehangir: Will the Honourable Member please read the lines underlined on page 2, "as provided in sub-section (3) by evidence of payment of the prescribed fee."

You pay and that is evidence

Mr. M. S. Aney: It is evidence of payment, but the making of the application is there. I am satisfied with one fact and that is that the Honourable Member has just now declared that it does not mean any application in a particular form, that any flaw in that application will not come in the way. That is the only saving thing which I have got from him. But the need for an application being made in time, as well as the

[Mr M S Aney]

payment also being made in time and the application accompanying that receipt for that payment—all these three things are there. They could have simply sent a receipt with a letter and be finished with it.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: That is all that is required. Even under the Honourable Member's amendment if you say, pay the annual fee, surely that payment of the annual fee must be communicated to the Superintendent of Insurance.

Dr. P. N. Banerjea: Then why not accept my amendment?

Mr. M. S. Aney: In my view, on production of a receipt on such and such a date, the thing should have been renewed, that would have been sufficient. Anyhow with the explanation I have got, I have nothing more to fear from the section itself.

Mr. President (The Honourable Sir Abdul Rahim) The question is "That in sub-clause (c) of clause 3 of the Bill, in the proposed words after the proposed clause (e), for the words 'have the registration renewed' the words 'pay the annual fee' be substituted."

The motion was negatived.

Mr. T. Chapman-Mortimer: Sir, I beg to move

"That in sub-clause (c) of clause 3 of the Bill, for the word, brackets and figure 'sub-section (3)', the word, brackets and figure 'sub-section (4)' be substituted."

Sir, if Honourable Members will turn to clause 4 of the Bill, they will find that the Select Committee inserted a new sub-section 3 to the proposed new section 3-A and as a result of that amendment carried in the Select Committee, a consequential amendment then became necessary and that is the one I have just read out. This is purely consequential Sir, I move.

Mr. President (The Honourable Sir Abdul Rahim) Amendment moved

"That in sub clause (c) of clause 3 of the Bill, for the word, brackets and figure 'sub-section (3)', the word, brackets and figure 'sub-section (4)' be substituted."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I accept the amendment.

Mr. President (The Honourable Sir Abdul Rahim) The question is

"That in sub clause (c) of clause 3 of the Bill, for the word, brackets and figure 'sub-section (3)', the word, brackets and figure 'sub-section (4)' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Abdul Rahim) The question is

"That clause 3, as amended, stand part of the Bill."

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdul Rahim) The question is.

"That clause 4 stand part of the Bill."

Mr Akhil Chandra Datta: Sir, I move

"That clause 4 of the Bill be omitted."

Sir Cowasji Jehangir: Sir, this amendment is out of order, because it is a negative amendment

Mr. President (The Honourable Sir Abdur Rahtm) We have been allowing such amendments

Mr. Akhil Chandra Datta Sir, I think in spite of the attitude of my Honourable friend, Sir Cowasji Jehangir,

Sir Cowasji Jehangir: What have I done?

Mr. Akhil Chandra Datta: You want to shut me out even from moving this amendment Sir, I was submitting that in spite of the attitude of my Honourable friend, Sir Cowasji Jehangir, with respect to the amendment that I had moved with regard to the increase of the initial fee, I thought, Sir, that I had some hope that this amendment might receive some little support even from him. But it is disappointing to me to find that he would not even allow me to move this amendment, and raised a technical objection Sir, this is entirely a new provision. This Bill is called an amending Bill. To a certain point it is certainly an amending Bill but at the same time, it is equally true that with respect to a very substantial portion of the Bill it is not an amending Bill at all. It has introduced many new provisions based on absolutely new principles. So that portion of the Bill cannot be called an amending Bill. Clause 4 seeks to insert a new section as section 3A. The first sub-clause is that there must be an annual registration.

"An insurer who has been granted a certificate of registration under section 3 shall have the registration renewed annually for each year after that ending on the 31st day of December 1941."

In the first place it is a new principle which has been introduced and I protest against this principle. This is a principle on a very fundamental point introduced only two or three years after the passing of the main Act in 1938. In spite of that very comprehensive legislation in 1938 this question of annual renewal of registration is raised. I have no exact recollection but my impression is that the point was raised and given up. Either it was raised and given up or it was not raised at all. In either case my submission is that a radical change like this involving the introduction of a new principle should not have been made in this Bill so soon after the passing of the original Act. That is about annual registration. The next sub-clause is about the application for the renewal of registration. There has been some discussion on this point while the last amendment was under discussion and so I do not like to take up the time of the House by going over the same ground again. But I may be permitted to point out that in spite of the so-called automatic registration the fact does remain, as was pointed out by my Leader, that you have got to make an application and make it within a certain time, and the time is the essence of the matter because later on in sub-section (4) we find that if the application is not made in time there is a penalty which is of a substantial kind,—a penalty not exceeding the prescribed fee payable by him. The fee has been prescribed in sub-clause (2) and I am coming to it presently, but there is a penalty.

We are of course thankful to the Select Committee to the extent that it has been made to some extent automatic, but I do not know if there is very much virtue in that. They want money, that is the naked demand

[Mr Akhil Chandra Datta]

and they do not make any secret of it. The object of this provision, as stated in the Statement of Objects and Reasons, is that they want money. They have got the money, and having got it they have become very generous and say, "Never mind all these details, let the procedure be simplified, we are satisfied with the money, let it go to the Reserve Bank or Imperial Bank and we do not want anything else." However the sting is still there about the procedure and about the harassment, even apart from the question of money which still remains there.

The next provision in this sub-clause is the annual fee not exceeding one thousand rupees. It is interesting to note that while the initial fee is five hundred rupees the annual fee is one thousand rupees maximum. This is very unusual and very unreasonable. In all cases of such imposition, for instance, the succession duty and other duties of that character one finds that the initial duty is always much larger than the annual duty at the time of renewal, but here it is quite the reverse, and while the initial fee is five hundred rupees, the annual renewal fee is one thousand. Let us see the extent to which the amendment is being made as compared with the main Act. There it was one hundred rupees once for all, now it is five hundred at the beginning and a maximum of one thousand each year. A moment's reflection will show the difference from the point of view of the money that is to be paid,—the difference between the Act and the present proposed amendment. The difference will be that after 20 years it may amount to a figure in the neighbourhood of Rs 20,000. The sum of course is an amount not exceeding one thousand rupees for each class of insurance. If there is a company doing several classes of insurance they will have to pay several thousands. Then, Sir, there is another element in this sub-clause. This sum of one thousand rupees may vary according to the volume of business done by the insurer in India in each class of insurance business to which the registration relates. I do not know if I am correct when I say that nowhere has there been any provision made as to how and by whom and through what machinery the volume of business is to be ascertained and the amount of fee to be fixed. I cannot speak with very great confidence but my impression is that there is no provision. If there is no provision anywhere within the four corners of the Bill, it is after all very vague and indefinite and the amount will vary according to the volume of business. Who is to fix the volume of business?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The Select Committee's report mentioned that and I have repeated that assurance here. It is based on the premium collected in the previous year.

Dr. P. N. Banerjea: That will not be regarded as sufficient in a court of law. The report of a Select Committee is not considered in a court of law.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: But the rules will be framed on those lines. I have indicated it in the Select Committee's report and in my assurance given on the floor of the House that that is what the rule will contain.

Mr. Akhil Chandra Datta: That, I must admit, indicates some improvement but the position still remains very unsatisfactory. It will depend upon the amount of premium. Then what is the other standard? How will the amount of the premium alone be sufficient for the Superintendent to fix the amount of the annual fee?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The audited accounts will show what the premium collected by the company is.

Mr. Akhil Chandra Datta: So far as the premium is concerned, we have it there. I concede that. But is that alone sufficient?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: That is the sole criterion.

Mr. Akhil Chandra Datta: Of what?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: For the scale of charges which are going to be fixed in the rules.

Mr. Akhil Chandra Datta: Even then we are not yet free from the tyranny of the rules. I have nothing to say against sub-clause 4^{rm}(3), because if payment has to be made, that is a very satisfactory mode of payment. Let us now come to sub-clause (4). There, the position as I have already indicated is that if payment is not made within a fixed time there will in addition be such penalty not exceeding the prescribed fee payable by the insurer as the Superintendent of Insurance may require. Therefore, first of all there is the fee of Rs 1,000 annually and then if there is a delay the penalty is levied and it is for the Superintendent of Insurance to decide that amount. The amount of the penalty will be determined by the Superintendent.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Subject to a maximum.

Mr. Akhil Chandra Datta: Of course, the whole thing is subject to a maximum, that does not give us very much comfort.

Sir Cowasji Jehangir: What is the maximum?

Mr. Akhil Chandra Datta: The maximum is Rs 1,000 on each class of business.

Sir Cowasji Jehangir: The maximum is the fee that the company has to pay according to that scale.

Mr. Akhil Chandra Datta: I am sorry; but it is perfectly clear that the maximum is Rs 1,000 and subject to that maximum.

Mr. M. S. Aney: That was in the original Bill. the Select Committee has amended that and said that the maximum penalty can only be the renewal fee of each insurance company which varies according to the premium that it collects in the previous year.

Sir Cowasji Jehangir: That is what I was trying to point out to you

Mr. M. S. Aney: He can, including penalty, recover twice as much as that,—“such penalty not exceeding the prescribed fee payable by him”

Mr Akhil Chandra Datta It may be Rs 500 or Rs 1,000 So I say that the penalty is equal to the amount of the renewal fee I am only trying to emphasise the enormity of the fee that is sought to be imposed That is my point Sir Cowasji Jehangir's idea is that if there is a company which cannot pay Rs 500 it should not start a business like that, and Mr Chapman-Mortimer who has been described as the *Bunia Sahib* of Calcutta holds similar views So, between the two big businesses of Bombay and Calcutta the poor small companies are crushed This reminds me of the great struggle that was waged—Mr Chapman-Mortimer is looking at me and he knows the whole thing better than anybody else—during the passage of the main Act there was a fight between big business and small business I never expected that anything like that would happen with regard to this Bill also I am sorry to find that Sir Cowasji Jehangir is looking at this matter from his own point of view, from the point of view of big business and never gives a thought for the small companies What is Rs 500 to Sir Cowasji Jehangir is Rs 5,000 or Rs 5 lakhs for other people My submission is this As pointed out by my Honourable friend, Sir Cowasji Jehangir, I must admit that the increase of the initial fee from Rs 100 to Rs 500 is not so serious as the annually fee because the amount is much larger and because it is recurring annually and, therefore, may I hope that at least as far as this particular demand is concerned I shall have the support of Sir Cowasji Jehangir and Mr Chapman-Mortimer? Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved
“That clause 4 of the Bill be omitted”

Mr. M. S. Aney: Sir, there is one small point on which I want to have an explanation from the Honourable Member in charge When we discussed the last amendment moved by my friend, Dr Banerjea, we had to make a reference to this clause 4, and in that connection there was some discussion about this application and so on My Honourable friend has given us an assurance that all that the word ‘application’ here meant is only some kind of letter communicating the fact of the payment to the Superintendent and nothing more But there is one legal point which I want to bring to his notice There is some such Act as a Stamp Act existing in this country and in that Stamp Act in the Schedule there is a provision that applications not provided for otherwise are required to put a stamp of a minimum value of 12 annas or something like that It differs in different provinces but in my province the minimum is 12 annas If the word ‘application’ is here and a mere letter is sent without a stamp of 12 annas, it is just possible that the Superintendent of Insurance may not treat it as an application within the meaning of the law, in spite of the fact that the amount required by him to be paid was duly deposited in time and the receipt is enclosed with it in that case for failure of having made an application in time, it is possible that he will be driven to the necessity of thinking about the imposition of a penalty That is the point which I want the Honourable Member to consider It has struck

me and so I brought it to his notice—the word 'application' being there the provisions of the Stamp Act are likely to be extended to this also

Mr. T. Chapman-Mortimer: Sir, I am very sorry that in spite of the entreaties of the Deputy President, I cannot support him on this amendment

Mr. Akhil Chandra Datta: I knew as much

Mr T Chapman-Mortimer not because I have no sympathy for the small companies but because, in fact, very considerable improvements were made to the Bill, and particularly with regard to this clause, for the sake of small companies, and as I say these amendments have been made and I think he has not given sufficient consideration to that fact In that connection I would like, briefly, to quote from an article I have here in the *Times of India*

"Considerable improvements to meet the wishes of the insurance companies of India have been made in the Insurance Act Amendment Bill which was introduced last month in the Indian Legislative Assembly One of the most important concessions secured by insurers from the select committee relates to the annual fees of registration payable by insurance companies to Government"

In other words, under this very clause, and in regard to which we have a note here in the Notes on Clauses I do not think it is necessary to read the whole of it because

Mr. M. S. Aney: What were you reading from?

Mr. T. Chapman-Mortimer I was reading from the Insurance Supplement to the *Times of India*

Dr. P. N. Banerjea: Considerable improvement no doubt, but it does not say that it is not capable of further improvement.

Mr. Akhil Chandra Datta: Is there any financial concession given by the Select Committee?

Mr. T. Chapman-Mortimer: Yes Sir most definitely, and I am sure the Honourable the Commerce Member will confirm that fact Very considerable financial concessions were, in fact, made, and I hope the Honourable the Commerce Member will quote the very words

Mr. Akhil Chandra Datta: With regard to this clause?

Mr. T. Chapman-Mortimer: Yes, Sir

In view of that, Sir, I regret very much I cannot support this amendment

Sir Cowasji Jehangir: Mr President, I think my Honourable friend, Mr Akhil Chandra Datta, is rather unfair to the Members of the Select Committee If his point is that insurance companies should not be made to pay any fee or any contribution to the working of the Department, I can understand his point of view, and I can understand his amendment that clause 4 be omitted If clause 4 is omitted, then all contributions to Government for the maintenance of this Department will be wiped out

[Sir Cowasji Jehangir]

The whole Bill may then be withdrawn. The very essence of the Bill is that some contribution should be made by insurance companies towards the Department. If you once admit that,—and I see that my friend is not prepared to admit it,—but if others are prepared to admit it, then let us see what concessions we members of the Select Committee have been able to obtain from the Honourable the Commerce Member and which he so kindly granted. Let us see what they are. You will see from the Select Committee's Report under clause 4 that a table of fees is laid down. It is binding on the Government. It was embodied in the Honourable the Commerce Member's speech when he introduced this Bill just now, and it is binding on Government. There my Honourable friend will see that it is Rs 100 per annum for an insurer whose premium is one lakh of rupees. Now, let me tell my friend that in the original suggestion that was made by Government to the Select Committee the scale was a higher one,—double that amount.

Mr. Akhil Chandra Datta: There was none in the Bill

Sir Cowasji Jehangir: My friend will try and follow me. I am trying my best to explain the position. Maximums are laid down under the Bill. We were not prepared to accept those maximums or leave the discretion to Government to fix the fees. We said we wanted some sort of assurance as to what the fees were going to be. The best way of doing it we thought was to put down in the Select Committee's Report and make it binding on Government instead of putting it in the Bill itself. If it was once put in the Bill, then we could not go to Government to get the fees reduced, it will be fixed. But if it is put down in the Select Committee's Report as the Government agreed to do, they cannot raise the fees straightforwardly arbitrarily.

Mr. Akhil Chandra Datta: That is the relief?

Sir Cowasji Jehangir: Certainly, they cannot raise it, because the maximum is laid down in the Bill, but the minimum is in the Select Committee's Report.

Dr. P. N. Banerjea: That is not binding on anybody

Sir Cowasji Jehangir: Sir, I maintain that it is binding on Government

Mr. M. S. Aney: In his statement the whole thing is reproduced as part of his speech and so far as he is concerned, he cannot get out of it

Dr. P. N. Banerjea: It will not be binding on his successor

Sir Cowasji Jehangir: We are not all Nazis where everything that is said here can be torn and put into the wastepaper basket within 24 hours. We expect ordinary morality and ordinary sense of justice, and when a Select Committee has made a recommendation and it is accepted by the Honourable Member in charge on the floor of the House, it is as good as if it is put down in the Bill itself. Therefore, let me assure my friend that the Select Committee did their very best to see that small companies

paid the minimum amount—it is Rs 100 for a premium of one lakh of rupees. If small companies have a premium of a lakh per annum, then, surely, Rs 100 is not too much. But the amount was reduced due to the efforts of the Select Committee from Rs 200 to Rs 100,—the minimum originally suggested was Rs 200, but we begged of the Honourable Member in charge to make it Rs 100, and it has been reduced to that figure, and this was done entirely in the interests of small companies. The whole Report is in the interests of small companies. Then not to be present at the Select Committee meetings when one is a Member and to come and say here that Members did not

Mr. Akhil Chandra Datta: On a point of order, Sir

Mr. President (The Honourable Sir Abdur Rahim) What is the point of order?

Mr. Akhil Chandra Datta: The point of order is this. As to what happened in the Select Committee, as to who was or was not present at the Select Committee meetings, these are matters which cannot be discussed here.

Mr. President (The Honourable Sir Abdur Rahim) Any discussion that has taken place in the Select Committee surely cannot be criticised here, but as to the Members who might not have been present, the Chair does not see there is any harm in mentioning that fact.

Sir Cowasji Jehangir: Sir, I maintain that it is not fair to criticise the Members of the Select Committee as my friend has done.

Mr. Akhil Chandra Datta: No, I have not done it.

Sir Cowasji Jehangir: Yes you did so. He pointed to two Members of the Select Committee, he referred to my friend Mr Chapman-Mortimer and to myself.

Mr. Akhil Chandra Datta: Not as Members of the Select Committee, but as Members of this House.

Sir Cowasji Jehangir: Not only as Members of this House, but my friend referred to the speeches made by us. He tried to make out that we did not protect the small companies. I contest that statement. I contest the charge that the Select Committee's Report and the Honourable Member in charge did not give consideration to the pleadings on behalf of small companies. The minimum amount of fees they will have to pay is due to the efforts of some of us of the Select Committee. It is laid down now in black and white. It begins with Rs 100 for companies who have a premium of one lakh. It might have been different. My point is the unfairness of the criticism that has been levelled. My friend will realise that when we sit on Select Committees, we try our best to represent all interests. The big companies do not come into it. We were merely representing the small insurance companies as Members of this House, and I contend that on the whole this Bill is fair and equitable, if once you admit that, some fee should be paid. If your contention is that no fees should be paid,—and I believe that is my friend's contention,—then I have nothing to say. Everybody is entitled to have his view.

Dr. P. N. Banerjea: You cannot say that the Select Committee's Report is sacrosanct.

Sir Cowasji Jehangir: But once that is conceded, I do contend that we have done our very best for small companies, and that small companies have come out very well indeed.

Dr. P. N. Banerjea: Further improvements can be made, it is not sacrosanct.

Sir Cowasji Jehangir: No more is the Bill, no more will it be when it becomes an Act. I contend that the words of the Honourable the Commerce Member on the floor of this House have the same effect as the Bill itself. What interpretation the courts of law will put upon it, I cannot say. I admit there is that difficulty. But when it comes to the scale of fee maximum having been laid down in the House, I contend that that scale of fees is as good as having been put into the Bill itself. I again contend that small companies have done very well indeed. This continual grumbling that small companies have not done well will not help in this House. What does help is a frank admission as to what has been obtained. Ask for more by all means, but make a frank admission that certain concessions have been obtained which are worth having. Such complaints cannot certainly come from the mouth of Honourable Members who had an opportunity of influencing the Select Committee but did not take the opportunity of doing so.

Dr. P. N. Banerjea: You should not hammer on that point too much.

Mr. Akhil Chandra Datta: I did not say anything at all so as to cast a reflection on any Member of the Select Committee. Not one word did I say against any Member of the Select Committee. I only referred to the Government. I said if they were satisfied that they wanted money, but I did not utter even a single syllable against any Member of the Select Committee. It was very unfair of my friend, Sir Cowasji Jehangir, to suggest that I have been unfair to the Select Committee.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The Honourable the Deputy President wants this clause to be omitted, that is to say, he does not want this additional revenue that I want.—he does not want the Government to raise this additional revenue from the companies. Naturally he will follow up his logic by moving a similar motion with regard to an increase in the agents' fees. I have stated that in the position in which the general revenues are today I cannot carry on my responsibility as a Member in charge of the Department, without getting this additional revenue, and having taken all the circumstances into consideration, and having tried to be as fair and just as possible between the conflicting interests I have come to the conclusion that this is the amount that is required and this is the manner in which that amount can be distributed between those who can afford to pay it. Therefore, we must agree to differ on fundamentals if my Honourable friend wants this clause to be deleted.

As regards the question which has unfortunately been raised about small companies and big companies, there I must frankly confess that the Honourable Member was not doing justice to the big companies. I will

put this consideration before him. The maximum provided in the Bill was Rs 1,000. That maximum has not in any way been reduced. I have given no assurance whatever that the maximum will be reduced, and the big companies which my Honourable friend has in mind will all pay the maximum amount of Rs 1,000. They did not come out of the Select Committee with any better proposition than that contained in the Bill, and the scale that has been set up in the Select Committee's report itself shows that the big companies will pay that maximum amount. The Honourable Member referred to two Honourable Members of this House and their interests in certain companies. I can at once tell him that those two companies will pay the maximum amount of Rs 1,000 and no concession has been shown to them. On the other hand, an amendment later in the Bill shows that my Honourable friend is equally solicitous about big companies, because he tries to reduce the maximum from Rs 1,000 to Rs 500—an amendment, of course, which I am going to oppose because I do not think that these big companies cannot afford to pay that Rs 1,000. As regards small companies, I must say this that time and again I have shown great consideration for the difficulties of the small companies, and I have by active sympathy proved that I am considering all the difficulties of the small companies. It was only the other day that this House passed a Bill giving certain relief to small companies with reference to the deposits that they had to make under section 7 of the Bill.

Dr. P. N. Banerjea: The object was to smoothen the passage of this Bill.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudahar: If I had been so clever as all that, I would have put that provision in this Bill and not have that Bill separately introduced and passed into an Act. If I had put that provision into this Bill, many Honourable Members would have been so anxious to get that provision through that they would not have opposed the passing of this Bill. I wanted to do what is fair to the small companies, as soon as possible.

Coming to the point raised by my Honourable friend Mr. Aney, the Superintendent of Insurance, I am quite certain, is not going to suggest that any stamp should be affixed to the application, but it is possible that under the Indian Stamp Act some authority or other may suggest that a stamp should be affixed. In that case the Honourable Member is aware that there is a provision in the Indian Stamp Act whereby the Central Government can exempt any application from the levy of stamp fees. The Government of India are prepared to issue the necessary notification so as to exempt these applications from such stamp fees, should that contingency at any time arise.

Babu Baijnath Bajoria (Marwari Association Indian Commerce). As regards the scale, Sir Cowasji Jehangir said that it is much better to have it in the report of the Select Committee and have an assurance from the Honourable Member than to prescribe it in the Bill itself, because, in that case, you might have a reduction in the scale. I for one do not believe that there will be a reduction in the scale. That is our experience. When once a scale is fixed, there is more chance of the scale being raised than being lowered. That is the exact reason why I prefer that the scale

[Babu Baijnath Bajoria.]

should be included in the Bill itself. I quite appreciate that the Honourable the Commerce Member will stand by his word and the scale will remain as it is, but if necessity arises and if he wants more money for the running of this department, as the maximum has already been fixed at Rs 1,000, he won't be able to raise the maximum amount payable by any insurance company beyond Rs 1,000 but he may try to increase the scale which has been fixed for the smaller, or the not very big companies. Probably, then, without reference to this House under the rules he will increase the rate which is payable from Rs 100 to Rs 200, and so on, he may double the rate as long as he does not go beyond the maximum which is prescribed in this Bill. For these reasons, I think it will be much better if the scale is provided in this Bill itself, so that if there is going to be any change in the scale the House will be consulted. Again, I think the penalty provided is much too high. This is just like the income-tax. You have provided for a penalty of 100 per cent. There may be a delay of a few days, or a week or so, but still the Superintendent of Insurance, if he wants to have his pound of flesh, he will get two pounds of flesh instead of one pound. I think that the penalty should not exceed half the prescribed fee payable by an insurance company. I hope that these remarks of mine will be considered by the Honourable the Commerce Member.

Some Honourable Members: Let the question be now put

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the question be now put."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That clause 4 of the Bill be omitted."

The motion was negatived.

Dr. P. N. Banerjea: Sir I move

"That in clause 4 of the Bill, for sub section (2) of the proposed section 3A, the following be substituted

(2) The annual fee shall not be less than fifty rupees or more than five hundred rupees for each class of insurance business, but shall vary according to the volume of business done by the insurer in India in each class of insurance business."

Sir, as pointed out by the Honourable the Commerce Member a few minutes ago, I want to do justice to both the big companies and the small companies. In the case of big companies the maximum is reduced and in the case of small companies a minimum is fixed, and that minimum is, I think, somewhat lower than the minimum suggested in the Commerce Member's schedule. Sir, it is very necessary to provide in the Bill itself the maximum and the minimum. The Honourable the Commerce Member has given us some assurances. I accept those assurances so far as his own statement goes but he will not be here for all time to come. His successor may not stand by those assurances and may change the schedule at his pleasure. In this connection, I wish to point out to this House that when the Insurance Act was amended four years ago, Sir N. N. Sircar gave some assurances. He was a great man, no less great than our Commerce Member. His assurances in some respects have not been respected.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: That is a very serious statement and, therefore, I should like the Honourable Member to be fair to himself and to me and to the Government of India by pointing out which particular assurances of my Honourable predecessor have been ignored by me.

Dr. P. N. Banerjea: I will give you instances on Monday. It depends very often on the interpretation. I will give one instance immediately. As regards investments, they were fixed at 55 per cent of the total amount of assets but it has been interpreted in a different way by the Superintendent of Insurance. I was present in the House then. It was made positively clear by everybody that that was the intention but they have gone back upon that intention. It is the clear opinion of lawyers like Sir Tej Bahadur Sapru that that interpretation put by the Superintendent cannot be put, but the Honourable the Commerce Member has not brought forward a Bill to clear up that point. However, I do not want to raise that question at the present moment. I say different interpretations are put upon particular sections of the Act and law courts do not take into consideration the speeches made by Honourable Members or the assurances which are given by them. I accept his assurance, but the assurance will not be taken into consideration by any law court. That is my contention. That is not really relevant to this.

Here, what I want to do is to fix the maximum and the minimum in the Act itself so that the big insurance companies, the medium size insurance companies and the small companies may know what they have to pay and although as Sir Cowasji Jehangir has pointed out the Select Committee has made certain concessions, the last word has not yet been said. I would ask the Honourable the Commerce Member not to take up the attitude that whatever was done by the Select Committee cannot be changed. What happened when Sir Nripendra Nath Sircar was the Member and he piloted the Bill? There were many discussions for nearly four weeks and many of the decisions of the Select Committee were turned down and new provisions were inserted. I hope the Commerce Member will not be intolerant of criticism in this House but will adopt an attitude of sweet reasonableness and if we are able to convince him, let him not stand by the report of the Select Committee. If we are unable to convince him, then let our amendments be thrown out. On a previous occasion I moved an amendment which was eminently reasonable. I still maintain that it was eminently reasonable but it was not acceptable to him. That was very unfortunate.

Mr. President (The Honourable Sir Abdur Rahim): Amendment moved

"That in clause 4 of the Bill, for sub-section (2) of the proposed section 3A, the following be substituted

'(2) The annual fee shall not be less than fifty rupees or more than five hundred rupees for each class of insurance business, but shall vary according to the volume of business done by the insurer in India in each class of insurance business'"

Mr. Amarendra Nath Chattopadhyaya: This clause 4 is the most important clause of this Bill. The present amendment of Dr. Banerjea says that the annual fee shall not be less than fifty rupees or more than

[Mr Amarendra Nath Chattopadhyaya.]

five hundred rupees for each class of insurance business, but shall vary according to the volume of business done by the insurer in India in each class of insurance business

Sir, this Bill is meant for creating a fund for the working or running of the Department and nothing else and we have been trying from the beginning of discussion of this Bill to show that it will be a great handicap to the small companies

[At this stage, Mr President (The Honourable Sir Abdur Rahim) vacated the Chair, which was then occupied by Mr Deputy President (Mr Akhil Chandra Datta)]

We know as the present House is constituted we cannot have anything passed according to our desires Therefore it is proper for the Honourable the Commerce Member to take into consideration the real difficulty with which we are faced This clause may be divided into two parts One is about the registration fee and the other is the power of the Superintendent of Insurance At present the Superintendent can make the fee prohibitive for any small company We know of a case in which the Superintendent has already shown that he interprets the law in one way and others interpret it in other ways We ask the Honourable the Commerce Member whether the interpretation of law should be left in the hands of the Superintendent With regard to the fees to be charged, we should like to point out with all the emphasis at our command that the difficulties of the small companies should be taken into consideration Our Deputy President has tabled an amendment in this respect in order to meet the difficulties of the small companies We ought to find out whether the small companies are in a position to pay these fees It is not the object of this Bill to throttle the struggling companies by making these fees prohibitive for them The fees should be within the means of these small companies if fees have to be realised at all

Sir, it is very well to say that fees of Rs 500 is nothing for an insurance company to start with It may be so in the case of those companies which have already secured their position and who have the capital, but there are companies, and there may be companies, which may not have the capital required at the outset and the necessary security, and knowing that, the Honourable the Commerce Member still proposes to do this, I enter my protest The position of the smaller companies during the war, I submit, has to be taken into consideration Now, at the present moment, insurance companies are not faring very well, and particularly the smaller companies are faring very badly, and if you pass this Bill into Act now, it will do them real harm Therefore, I would appeal to the Honourable the Commerce Member to revise his opinion with regard to the fees The fees which he thinks to be very small may not really be small for the smaller companies—whether it is one lakh, two lakhs or five lakhs He may be pleased to devise a scheme beginning from 5 lakhs Sir, in connection with the last Bill we had fought on behalf of the smaller companies that though they had gained nothing substantial yet had gains to a certain extent, but we are feeling the same difficulty now with this Bill The big companies have nothing to lose, nothing to suffer, and only the smaller companies have to suffer, and this clause 4 provides a scale of payment which may be detrimental to the interests of the smaller companies and I would, therefore, request the Honourable the Commerce Member to revise his opinion

about this and try to find out a better solution of this question which is troubling us

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Su
my Honourable friend has only fixed two limits—Rs 50 as the minimum
and Rs 500 as the maximum. It is perfectly open for the Superintendent
of Insurance, in making the rule, to vary it in any way he likes. On the
other hand, the Select Committee's Report from which I have read out
extracts on the floor of this House lays down this scale of fees. Sir my
friend, Mr Bajoria, said that it was preferable to have the scale in the Act
itself. I do not agree with him and I shall tell you why. The scale of fees
has been mentioned in the Select Committee's Report and it is our intention,
in framing the rule, at least this year, to raise no more than is
absolutely necessary and I am in a position to state now that it is more
than possible, it is quite probable, that the scale that is laid down in the
rule will be even less than what has been mentioned in the Select Com-
mittee's Report. My Honourable friend, Sir Cowasji Jehangir, adverted
to that fact. It may not be necessary to raise the whole of this amount
according to this scale at present and we do not want to make a profit out
of that. We just want to do no more than what was intended when the
Bill was first introduced, and according to the Statement of Objects and
Reasons to just get what is necessary for meeting the additional direct
charges of this establishment. I cannot exactly mention the scale now,
but I am in a position to state that the scale which will be introduced by
rule and which will be laid before this House at its next Session will be a
sum less than what has been indicated in the Select Committee's Report

[At this stage Mr President (The Honourable Sir Abdur Rahim) resumed the Chair]

I oppose the motion

Mr President (The Honourable Sir Abdur Rahim) The question is

"That in clause 4 of the Bill, for sub section (2) of the proposed section 3A, the
following be substituted

'(2) The annual fee shall not be less than fifty rupees or more than five hundred
rupees for each class of insurance business, but shall vary according to
the volume of business done by the insurer in India in each class of
insurance business'"

The motion was negatived

Dr. P. N. Banerjea: I wish to move No 16

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Conse-
quential

Dr. P. N. Banerjea: No, not consequential Sir, I move

"That in clause 4 of the Bill, in sub section (3) of the proposed section 3A, for
the words 'along with the application for renewal of the registration' the words 'to the
Superintendent of Insurance' be substituted"

Sir, my Honourable friend, Mr Aney, has pointed out the difficulties of
an application. Although the Honourable the Commerce Member has given
some assurance, it will be better to do away with the application altogether.
Therefore, what I suggest is that the sending of the receipt for that amount

[Dr P. N Banerjea]

would suffice Sir, the sub-clause which exists in the present Bill reads like this

"The prescribed fee for the renewal of a registration, etc , etc , and the receipt shall be sent along with the application for renewal of the registration "

What I suggest is that the prescribed fee having been paid, the receipt should be sent to the Superintendent of Insurance . He gets the money, and that is enough Why have the application at all? As soon as he gets the money in whatever form, it may be said that the mere sending of the receipt for the deposit with the Reserve Bank of India or the Imperial Bank of India or the Government treasury ought to suffice without necessitating an application in any particular form

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in clause 4 of the Bill, in sub section (3) of the proposed section 3A, for the words 'along with the application for renewal of the registration' the words 'to the Superintendent of Insurance' be substituted "

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I am afraid I have to oppose the amendment Sub-clause (2) reads as follows

"An application for the renewal of a registration for any year shall be made by the insurer to the Superintendent of Insurance", —

and this sub-clause says that the receipt shall be sent along with the application referred to in sub-clause (2) to the Superintendent of Insurance

Dr. P. N. Banerjea: If it is not sent along with the application, then? The application will be invalid?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: What is the purpose? If it is not sent along with the application, it means the two things go by two posts to the Superintendent of Insurance, one by which the application is sent and one by which the receipt is sent

Dr. P. N. Banerjea: Through carelessness or something else, the application may not be sent at one and the same time?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I am unable to agree to this amendment

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in clause 4 of the Bill, in sub section (3) of the proposed section 3A, for the words 'along with the application for renewal of the registration' the words 'to the Superintendent of Insurance' be substituted "

The motion was negatived

Mr. Amarendra Nath Chattopadhyaya: Sir, I move

"That in clause 4 of the Bill, to sub section (4) of the proposed section 3A, the following proviso be added

'Provided that an appeal shall lie to the Central Government from an order passed by the Superintendent of Insurance imposing a penalty on the insurer' "

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in clause 4 of the Bill, to sub-section (4) of the proposed section 3A, the following proviso be added

'Provided that an appeal shall lie to the Central Government from an order passed by the Superintendent of Insurance imposing a penalty on the insurer'."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I accept the amendment

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in clause 4 of the Bill, to sub-section (4) of the proposed section 3A, the following proviso be added

'Provided that an appeal shall lie to the Central Government from an order passed by the Superintendent of Insurance imposing a penalty on the insurer'."

The motion was adopted

Dr. P. N. Banerjea: Sir, I move

"That in clause 4 of the Bill, in sub-section (5) of the proposed section 3A, for the words 'being satisfied that the insurer has fulfilled the requirements of this section' the following be substituted

'receipt of the application for the renewal of a registration together with a receipt from the Reserve Bank of India or the Imperial Bank of India or a Government treasury about the payment of the prescribed fee shall within a fortnight from the date of the application'."

Sir, the difficulty with regard to application has been pointed out, but the Honourable the Commerce Member says that the renewal will be automatic. Now, in order that the renewal may be really automatic, we should remove the words that "the Superintendent shall be satisfied" sub-clause (5) stands thus.

"The Superintendent of Insurance shall, on being satisfied that the insurer has fulfilled the requirements of this section"

He will have to satisfy himself. In that case, the automatic application is not correct. What the Honourable the Commerce Member says is that the application will be automatic, but sub clause (5) says that the Superintendent will have to be satisfied. In my wording there is no ambiguity, it is absolutely clear. The application is there and as soon as the application and the money are received, the thing is finished. A time-limit is given, otherwise there may be a difficulty. Suppose on the 15th of December the amount is sent and the office of the Superintendent may remain very busy for a week, and on the 28th or the 24th the office may be closed. So, during the month of December he does not get a renewal. In order to avoid all this, I say that within a fortnight the registration will be renewed.

This is a very modest demand and it will make the working of the section automatic. Nothing else can make it automatic so long as the word "satisfied" is there. The Superintendent may say that he is not satisfied. But my amendment makes the working quite automatic. The money is there and the application is there and within a fortnight the Superintendent will have to renew it. I think it is a reasonable proposal and I hope the Honourable the Commerce Member will accept this proposal.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in clause 4 of the Bill, in sub section (5) of the proposed section 3A, for the words 'being satisfied that the insurer has fulfilled the requirements of this section' the following be substituted

'receipt of the application for the renewal of a registration together with a receipt from the Reserve Bank of India or the Imperial Bank of India or a Government treasury about the payment of the prescribed fee shall within a fortnight from the date of the application'."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, the last sub-section relates to the requirements of the other clauses of this section. Those requirements are two in number. Firstly, that the renewal fee is to be paid. Secondly, when the renewal fee is not paid and a penalty is attached to it, the renewal fee plus the penalty is to be paid. If I accept the amendment of the Honourable Member, it deals only with the first part of this clause. I submit that the language of the amendment could be substituted for the present language if it relates only to the renewal of fee in the first instance, but if it is to cover the penalty also, then my Honourable friend's amendment does not cover it.

Dr. P. N. Banerjea: I see that point. In that case, I will ask the Honourable Member to make an addition. We are closing this evening. It can be done on Monday.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I have no objection to having this held over for the time being.

Mr. President (The Honourable Sir Abdur Rahim) Very well. The question is

"That clause 5 stand part of the Bill."

Sir Cowasji Jehangir: Sir, I move

That in sub-clause (b) of clause 5 of the Bill, in the proposed sub section (5), after the words 'not less than fifty' the words 'or such smaller number as may be approved by the Superintendent of Insurance' be inserted.

I do not think it requires many words to explain the meaning of this amendment. It gives latitude to Government to allow a smaller number than 50 to be included in a group policy. This is a facility to the smaller companies. In the old Bill there was the definition of 'group policy'. In this Bill that definition has been eliminated and full discretion has been given to the Superintendent. Everybody agrees to that. But one exception has been made. In the Bill it is said that the minimum number that shall form the group policy can be 50. In my amendment a further discretion is given to the Superintendent whereby a lesser number than 50 can be allowed by him if he so chooses, and a group policy can be issued with a lesser number than 50. That is all I have to say in support of this amendment.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub-clause (b) of clause 5 of the Bill, in the proposed sub-section (5), after the words 'not less than fifty' the words 'or such smaller number as may be approved by the Superintendent of Insurance' be inserted."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, so long as the discretion is left to the Superintendent of Insurance as regards the number, I have no objection, and I accept this amendment

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in sub-clause (b) of clause 5 of the Bill, in the proposed sub-section (2), after the words 'not less than fifty' the words 'or such smaller number as may be approved by the Superintendent of Insurance' be inserted."

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The question is "That clause 5, as amended, stand part of the Bill"

The motion was adopted

Clause 5, as amended, was added to the Bill

Clauses 6 to 12 were added to the Bill

The Assembly then adjourned till Eleven of the Clock on Monday, the 31st March, 1941

LEGISLATIVE ASSEMBLY.

Monday, 31st March, 1941

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr. President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS.

NON-ELIGIBILITY OF INDIAN WARRANT OFFICERS OF THE INDIAN ARMY ORDNANCE CORPS FOR EMERGENCY COMMISSIONS.

555. ***Mr Amarendra Nath Chattopadhyaya:** (a) Will the Defence Secretary please state if the Indian Warrant Officers of the Ordnance Branch of the Army are eligible for appointment in the Emergency Commission like other ranks of the other Branches of the Army, if not, why not?

(b) If the reply to part (a) be in the affirmative, has any of the Indian Warrant Officers so far been granted Emergency Commission? If so, how many?

(c) What are the Branches of the Army, e.g., supply, transport, etc., etc., in which the cadre of the Indian Warrant Officers was created and members of which have since been given Emergency Commission?

(d) Is he aware that in certain branches of their services, the Indian Warrant Officers have been promoted to the Viceroy's Commission whereas the Indian Warrant Officers of the Ordnance Branch have not been granted such commissions so far?

(e) Is he aware of the rapid promotions in other Branches of the Army and in many cases to the King's Commission, e.g., Emergency Commission?

(f) Does he propose to call for recommendations for the Emergency (King) Commission from this Branch of the Army also? If not, why not?

(g) Is he prepared to see that the Indian Warrant Officers and other ranks of the Ordnance Branch of the Army are also given their due share in the promotion to the Emergency (King's) Commission like other Branches? If not, why not?

Mr C. M. G. Ogilvie (a), (f) and (g). I refer the Honourable Member to the answer given on the 18th March, 1941, to starred question No 415

(b) On the assumption that the Honourable Member is referring to the Indian Army Ordnance Corps, no Indian Warrant Officer has so far been granted an emergency commission

(c) No Indian Warrant Officer has as yet been given an emergency commission, though eight have been selected, and are now under training. They were selected from the Royal Indian Army Service Corps, Army Educational Corps, and the Hyderabad Regiment.

(d) Yes, where the rank of Warrant Officer has been abolished. This is not so in the Indian Army Ordnance Corps which contains both Viceroy's commissioned officers and Indian warrant officers.

(e) Generally speaking promotion has been accelerated owing to the expansion of the Army.

NON-ELIGIBILITY OF INDIAN WARRANT OFFICERS OF THE INDIAN ARMY ORDNANCE CORPS FOR EMERGENCY COMMISSIONS.

556. *Bhai Parma Nand: With reference to the reply to question No 415, dated 18th March, 1941, regarding the release of warrant officers for emergency commissions, will the Defence Secretary please state

(a) If Government have started training men for the duties of Indian Warrant Officers of the Indian Army Ordnance Corps, if so, since when and how many men have been trained for such duties, if not, why not, and

(b) if any of the trainees for the duties of Indian Warrant Officers of the Indian Army Ordnance Corps have been released for emergency commissions, if so, how many and for which Commissions, if not, why not?

Mr. C. M. G. Ogilvie: (a) Yes. Since February, 1940, 42 have been trained and confirmed.

(b) No. They have only just completed their training as Warrant Officers of which class there is a shortage.

Bhai Parma Nand: May I know if the previously trained Warrant Officers want to apply for Emergency Commission, would they be allowed to do so?

Mr. C. M. G. Ogilvie: There is at present a shortage in the class of Ordnance Warrant Officers, who are trained and specialised personnel, and until that shortage is made good, it will not be in the interest of the service to allow them to apply for Emergency Commission. In due course, it is hoped that the shortage will be rectified.

Bhai Parma Nand: How long?

Mr. C. M. G. Ogilvie: That, I am afraid, I cannot at present say.

Bhai Parma Nand: Does it mean that you want to block all people who are already trained?

Mr. C. M. G. Ogilvie: It only means that where you cannot do without a certain article, and you cannot replace it, you must keep it for the time being where it is.

NON-GRA NT OF COMMISSIONS TO THE WARRANT OFFICERS OF THE INDIAN MEDICAL DEPARTMENT.

557. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Defence Secretary please state whether it is true that Warrant Officers of the Indian Medical Department who had proceeded on Field Service during the last Great War, are now being sent out again on Field Service, 25 years later, in their self-same, substantive rank as Warrant Officers? Can the same be said, generally, of other units in the British Army?

(b) Are not Warrant Officers of the Indian Medical Department being drafted out in independent charge of Units, as Officers-in-Charge of Medical Stores' Depots, Prisoners' of War Camps, Sub Charges of Hospitals, Ambulance Units, etc., where non-Commissioned Officers and Warrant Officers of other units and departments conducting similar duties are being granted commissions? If so, why are officers of the Indian Medical Department excluded from similar consideration and treatment?

(c) Why do Government deny officers of the Indian Medical Department a Commission?

(d) Is it not a fact that Non-Commissioned Officers and Warrant Officers of the Royal Indian Army Service Corps, Indian Army Ordnance Corps, the Military Engineering Service and other branches are being granted Commissions beyond all proportion to that of the Indian Medical Department officers? If so, why?

(e) Is it not a fact that all branches and services in the British Army are being entitled to the benefits of 'Separation Allowance' and other forms of relief, financially and otherwise, for the support of their families, whilst engaged on Field Service, the Indian Medical Department alone is denied this relief? If so, why?

Mr. C. M. G. Ogilvie: (a) Yes, it is true. The percentage of commissions in the Assistant Surgeon Branch of the Indian Medical Department is limited by rule.

(b), (c) and (d) Warrant Officers of the Indian Medical Department have been posted in independent charge of two Medical Store Depots. They are also employed in sub-charge of hospitals. The Indian Medical Department has fared less well in the matter of commissions than the other services because the Department has not expanded.

The question of granting emergency commissions in the Indian Medical Service to selected Assistant Surgeons in the Indian Medical Department is, however, being considered and I hope to be able to make an announcement on the subject shortly.

(e) A special rate of expatriation allowance at Rs 50 per mensem to Senior Assistant Surgeons and Rs 40 per mensem to Warrant Officers was sanctioned with effect from the 3rd of September, 1939. This allowance is considerably higher than separation allowance for Warrant Officers.

SPECIAL POLICE OFFICERS IN THE DELHI CITY.

558. *Mr. Amarendra Nath Chattopadhyaya: (a) Will the Honourable the Home Member please refer to the judgment in the case of Crown *versus* Imdad-ul-Rashid Sabri decided in a court at Delhi on the 17th February, 1941, and state whether it is a fact that the special police officer who appeared as a prosecution witness in the case was a previous convict and in the words of the court "a liar"?

(b) Will he please state whether it is not a fact that the so called special police officers are invariably used as search and prosecution witnesses in Crown cases by the Police in Delhi?

(c) Will he please place on the table a list showing the names of persons who have been enlisted as special police officers in the Delhi City during the last six years, showing the number and kind of fire-arms possessed by each of them and the income-tax paid by each of these special police officers?

(d) Is he prepared to see that the appointment to the special police officers cadre is made, if at all, from amongst reliable and respectable persons who at least pay sufficient income-tax?

(e) Will he please state why these special police officers, who do not pay any income-tax, are permitted to retain these fire-arms, and how does the Honourable Member intend regulating their appointments?

The Honourable Sir Reginald Maxwell: Particulars have been called for from the Chief Commissioner, Delhi, and a reply will be laid on the table of the House in due course.

PROMOTION OF CIVILIAN (INDIAN) SUB-DIVISIONAL OFFICERS OF THE ELECTRICAL AND MECHANICAL BRANCH OF THE MILITARY ENGINEER SERVICES TO GAZETTED RANKS.

559. ***Mr. Amarendra Nath Chattopadhyaya:** (a) Will the Defence Secretary please state if the strength of the Civilian (Indian) Sub-Divisional Officers in the Electrical and Mechanical Branch of the Military Engineering Service is 25 per cent of the total strength of Sub-Divisional Officers as against 58 per cent of the Civilian Sub-Divisional Officers in the Building and Roads Branch? If not, what is it? If the figures are correct, why is it at such a low level?

(b) Is he aware that about 25 per cent of the Civilian Sub-Divisional Officers of the Building and Roads Branch have been given promotion to the gazetted rank of Assistant Garrison Engineers, etc?

(c) Is he aware that out of fourteen Civilian Sub-Divisional Officers in the Electrical and Mechanical Branch, only one has been promoted to the gazetted rank of Assistant Garrison Engineer, whereas out of forty-four Military (Europeans) Sub-Divisional Officers, fourteen have been promoted?

(d) Why has no percentage been fixed for the promotion of Civilian Sub-Divisional Officers of the Electrical and Mechanical Branch to the gazetted rank of the Assistant Garrison Engineer?

(e) Is he aware that there is not a single Indian gazetted officer in the Electrical and Mechanical Branch?

(f) What are the academic and technical qualifications of each of Military Sub-Divisional Officers who have been promoted to the gazetted rank from the Electrical and Mechanical Branch, and in what capacities are they employed?

(g) Is he prepared to consider the desirability of giving due share to the Civilian (Indian) Sub-Divisional Officers of the Electrical and Mechanical Branch in the matter of promotion to the gazetted rank? If not, why not?

Mr. C. M. G. Ogilvie: (a) to (g) A statement is laid on the table

Statement regarding Sub-Divisional Officers of the Electrical and Mechanical Branch of the Military Engineer Services

(a) The civilian Sub-Divisional Officers in the Electrical and Mechanical Branch of the Military Engineer Services constitute 26 per cent of the total, against 50 per cent in the Buildings and Roads Branch.

A scheme was sanctioned in 1939 by which 15 appointments of Sub-Divisional Officers in the Electrical and Mechanical Branch of the Military Engineer Services would be filled as they become vacant by civilians instead of military officers. As a result of the war, the change has not taken place so quickly as was expected, and nine of these 15 appointments are still filled by military officers. A further 23 civilian Sub-Divisional Officers have, however, been employed in a temporary capacity, who have not been included in the percentages mentioned above.

As vacancies occur in the permanent establishment they will be filled from among these 23 civilians.

(b) The figure is actually 30 per cent.

(c) The figures are substantially correct, except that 23 military Sub-Divisional Officers have been given Emergency Commissions instead of 14 Officers in the Electrical and Mechanical Branch are specialists employed in an advisory capacity and there are only 19 Gazetted appointments which could be held by civilians in this Branch compared with 196 in that for Buildings and Roads. There are 3 Assistant Garrison Engineers on the Electrical and Mechanical side against 106 on the Buildings and Roads side, and there are therefore naturally fewer promotions open to civilians on this side.

(d) No percentage has been fixed for promotion in either Branch, either for military or civil Sub-Divisional Officers, because promotions are made to fill vacancies.

(e) Yes.

(f) and (g) Military Sub-Divisional Officers are recruited from the military mechanist category of the Royal Engineers. They have passed the trade qualifications laid down in military regulations as electricians or mechanists, receive their training at the School of Military Engineering, Chatham, and are required to qualify in the prescribed examinations of the City and Guilds of London Institute.

A separate statement is appended, showing the capacities in which those who have been granted Emergency Commissions are at present employed.

For the majority of these appointments, military knowledge and training are necessary, but for the remainder, such as Assistant Garrison Engineers, civilian Indian Sub-Divisional Officers will be considered for promotion in the same way as the military Sub-Divisional Officers, and judged by the same standards.

Statement showing the capacities in which the military Sub-Divisional Officers of the Military Engineer Services promoted to temporary commissioned rank are employed.

Rank and Name.	Capacity in which employed.
1. Lieutenant (A. C.) J. S. Hackworthy	Attached Garrison Engineer's Office, Kirkee.
2. Lieutenant (A. C.) C. E. Knott	Inspector of Royal Engineers Machinery, Peshawar.
3 Lieutenant (A. C.) A. C. Woodcock	Assistant Garrison Engineer E/M, Rawalpindi.
4. Lieutenant (A. C.) S. W. Parker.	Assistant Garrison Engineer, Bannu.
5. Lieutenant (A. C.) G. W. D. Black	Workshop Officer, Sappers and Miners Training Centre.
6. Lieutenant (A. C.) C. W. Palmer	Reserve Base Engineer Park, Lahore.

7. Lieutenant (A. C.) W. J. J Kennedy.	Section Officer, No 1 Engineer Store (Base) Depot.
8. Lieutenant C. J. Cornwell	Attached to Commander, Royal Engineers Sind
9. Lieutenant W J Webb	Inspector of Royal Engineers, Machinery Banu
10. Lieutenant J. A Hornott	Inspector of Royal Engineers Machinery, Quetta
11 Lieutenant W Carney	Inspector of Royal Engineers Machinery Dehra Dun.
12. Lieutenant J Harrison	Deputy Chief Engineer's Office, Lahore
13 Lieutenant H F Hudd	Section Officer, No 1 Engineer (Base) Work shop
14. Lieutenant R T Clarke	Section Officer, No 1 Engineer (Base) Work shop.
15 Lieutenant T. Gleeson	Section Officer, No 1 Engineer (Base) Work shop
16 Lieutenant J A Wells	Section Officer, No 1 Engineer (Base) Work shop
17 Lieutenant J W Herringtop	Unit Officer, Excavating Machinery Group Indian Engineers
18. Lieutenant S W Olyott	Unit Officer, Excavating Machinery Group Indian Engineers
19 Lieutenant V Elton	Unit Officer, Excavating Machinery Group Indian Engineers
20 Lieutenant F. G Trevelyan	No 1 Electrical/Mechanical Company, Lahore
21. Lieutenant J H Partridge	Field Engineer, Headquarters, Divisional Engineers (Overseas)
22. Lieutenant W Kitchen	No 18 Field Coy, Royal Bombay Sappers and Miners (Middle East).
23 Lieutenant A N Dannell	Inspector of Royal Engineers Machinery Factory Works Section, Department of Supply, Calcutta

LICENSES FOR PREPARATION OF AYURVEDIC MEDICINES FROM NATURAL FERMENTED INGREDIENTS IN DELHI

560. ***Mr. Akhil Chandra Datta:** (a) Will the Honourable the Finance Member be pleased to state whether it is a fact that no rules have been framed by the Excise Department in Delhi City for granting licenses to private individual or Ayurvedic firms for preparation of Ayurvedic pharmacopeial medicines by natural fermented process which very often results in producing more than 20 per cent alcohol?

(b) Are Government aware that the absence of such rules is detrimental to the proper development of the Ayurvedic system of medicine?

(c) Is it a fact that in Bengal and Bihar there are rules framed by Government for distillation of drugs having more than 40 per cent alcohol prepared in their private distillery?

(d) Is it a fact that the Majumdar Ayurvedic Pharmaceutical Works in New Delhi applied for license for preparing certain Ayurvedic pharmacopeial drugs by the process of natural fermentation and distillation containing more than 20 per cent natural alcohol and that it offered to pay excise duty on their production, but the excise department made an exorbitant demand for the maintenance of a special staff for the said firm alone and that the firm being unable to agree to that, its application was rejected by the Deputy Commissioner's order dated the 23rd February, 1940, No 108/Excise, without giving any reason for that?

(e) Are Government aware that the preparation of such medicines in Delhi would confer a great benefit to the suffering public there and if so, are Government prepared to issue instructions for the granting of such licences to the *bona fide* Ayurvedic firms and medical practitioners in Delhi?

(f) Are Government aware that Mahuwa wine and *Ganja* are essential ingredients for the preparation of several important Ayurvedic medicines?

(g) Are Government aware that these things are never allowed to be imported into Delhi, although there is no such restriction in other Provinces?

(h) Are Government prepared to modify their order and allow the import of such things for the preparation of Ayurvedic medicines?

The Honourable Sir Jeremy Raisman: (a) to (h) The information is being collected and will be laid on the table in due course

PROMOTION TO THE SPECIAL GRADE OF THE SECOND DIVISION IN THE ARMY HEADQUARTERS

561. *Qazi Muhammad Ahmad Kazmi: (a) Will the Defence Secretary please state whether it is or it is not a fact that promotion to the special grade of the Second Division in the Army Headquarters is confined to those clerks who

(i) have spent two years on the maximum of the ordinary grade, and

(ii) have shown special merit and capacity?

(b) Is it or is it not a fact that "long service" has always been regarded as an essential qualification for promotion to the special grade?

Mr. C. M. G. Ogilvie: (a) (i) and (ii) Yes

(b) Yes, combined with the conditions referred to in part (a) of the question

PROMOTION TO THE SPECIAL GRADE OF THE SECOND DIVISION IN THE ARMY HEADQUARTERS

562. *Qazi Muhammad Ahmad Kazmi: Will the Defence Secretary please lay on the table a statement showing during the last two years

(a) the number of special grade vacancies allotted to each branch,

(b) the number of appointments filled in that grade in each branch;

(c) the number of vacancies still to be filled in each branch, as well as the date from which these vacancies are not filled and the reason for not filling them, and

(d) the number of Second Division clerks who have completed two years on the maximum of the ordinary grade and have not yet been promoted to special grade as well as the date of their completion of second year in that grade?

Mr. C. M. G. Ogilvie: (a) to (d) A statement is laid on the table

Statement showing the Number of Special Grade Appointments, etc., in Branches of Army Headquarters

Branch of Army Headquarters, etc	a Number of special grade appointments allotted	b Number of special grade appointments filled	c Number of vacancies still to be filled as well as the date from which vacancies are not filled and the reason for not filling them	d Number of 2nd Division clerks who have completed 2 years on the maximum of the ordinary grade and not yet promoted to special grade as well as the date of their completion of 2nd year in that grade
General Staff	3	3	Nil	Nil
Adjutant General	4	4	Nil	2 both on 31-3-38
Quartermaster General	3	3	Nil	3 (1 on 1-4-32 1 on 1-2-38 & 1 on 1-4-38)
Master General of the Ordnance	4	2	2 from 4-9-36. Not filled in the absence of persons fulfilling the conditions prescribed for appointment to the Special Grade	9 (1 on 1-4-32, 1 on 1-2-37, 1 on 1-9-37 2 on 1-4-38, 2 on 1-2-39, 1 on 1-9-39 & 1 on 13-3-40)
Military Secretary	1	1	Nil	2 (1 on 1-4-25 & 1 on 1-4-30)
Engineer-in-Chief	2	2	Nil	3 (1 on 31-12-35, 1 on 31-3-38 & 1 on 31-3-39)
Medical Directorate Private Secretary to His Excellency the Commander-in-Chief.	2	2	Nil	3 (all on 31-3-38) 1 on 1-4-32
Deputy Director of Ordnance Services (Provision)	2		2 from 2-8-40 Not filled in the absence of persons fulfilling the conditions prescribed for appointment to the Special Grade.	
Air Headquarters	1	1	Nil.	2 (1 on 31-1-37 & 1 on 1-2-38)
Total:	22	18	4 (2 from 4-9-36 & 2 from 2-8-40)	25

PROMOTION TO THE SPECIAL GRADE OF THE SECOND DIVISION IN THE ARMY HEADQUARTERS

563. *Qazi Muhammad Ahmad Kazmi: (a) Will the Defence Secretary please state the reason for not filling the special grade vacancies?

(b) Have Government considered the advisability of issuing necessary instructions to the branches of the Army Headquarters to fill the vacancies and that those individuals who have "long services" and are being retired in 1941, 1942, 1943, and 1944 be promoted to the special grade?

Mr. C. M. G. Ogilvie: (a) and (b) I refer the Honourable Member to the statement laid on the table in reply to his previous question

THEFTS AND BURGLARIES IN NEW DELHI

564. *Mr. Muhammad Azhar Ali: (a) Will the Honourable the Home Member please state the number of thefts or burglaries which have occurred in New Delhi during the period 11th February to 20th March, 1941?

(b) Will the Honourable Member please state the number and locality of the quarters in which the above thefts took place?

(c) Will the Honourable Member please state the dates on which the said thefts took place?

(d) Will the Honourable Member please state the time—approximately, if not definitely—when these thefts occurred?

(e) Will the Honourable Member please state whether the tenants concerned reported the period of time during which they left their quarters vacant? If so, will he please state such time in each case?

(f) In how many cases of such thefts were the quarters altogether vacant?

(g) In how many cases of such thefts were all the luggage in the quarters—cash, jewellery, clothes, boxes, sewing machines, etc.,—taken away? What was the number of packages so taken away in each case?

(h) Have the police authorities taken any action to prevent such thefts? If so what is that action?

(i) Have the police authorities taken any steps to trace the thefts and/or to recover the stolen property? If so, what are those steps, and how much property has been recovered?

(j) How many thieves have been arrested in connection with these thefts?

The Honourable Sir Reginald Maxwell: The information has been called for and will be laid on the table in due course

Mr. Muhammad Azbar Ali: Is it a fact that police constables are said to be involved in these robberies and thefts and that a peon by name Muhammad Maksud Khan of the Lady Hardinge Hospital was beaten and looted on 1st March in which also some police constables are involved?

The Honourable Sir Reginald Maxwell: The Honourable Member seems to be seeking information which is outside the terms of this question

UNSATISFACTORY CONDITIONS OF THE POSTAL SYSTEM IN EGYPT AND SUDAN IN FIELD POST OFFICES

565. *Mr. Muhammad Azhar Ali: (a) Will the Defence Secretary please state whether Government are aware of the existence of the most unsatisfactory conditions of the postal system in Egypt and Sudan in field post offices?

(b) Is it not the rule rather than the exception that letters and other articles destined for members of the Forces are being delivered weeks in arrears of their receipt in those countries?

(c) Is it true that the Christmas mail calculated to arrive in time for the season is in many cases still undelivered?

(d) Is it true that sea mail and, particularly, air mail letters despatched with mathematical precision weekly, are generally delivered in accumulated lots, all together, weeks after their arrival due wholly to antiquated postal arrangements of distribution and delivery?

(e) Are Government aware that edible articles consigned to the troops in November and December last were only delivered when their contents were no longer fit for consumption?

(f) Are the postal arrangements in Egypt and Sudan conducted and controlled by personnel of the Indian Post Office?

(g) Are Government aware that there is a strong feeling of doubt and despondency that the means and method pursued in these countries by the post office are fundamentally responsible for the prevalence of these unsatisfactory conditions?

(h) Are Government prepared to cause a searching enquiry and investigation into the breakdown and collapse of the postal arrangements in Egypt and Sudan and deal immediately with those responsible for the said state of affairs? If not, why not?

Mr. G. M. G. Oggilvie: (a), (g) and (h) While the Government of India do not regard past arrangements as entirely satisfactory, they recognise the great difficulties with which the postal units have had to deal owing to the sudden movements of units, to the necessity of secrecy as to their whereabouts, to the adoption of the convoy system, and, lastly, to the failure of correspondents in India to address their letters correctly. They are satisfied that a steady improvement is being made, and that there is now no undue delay.

(b) Serious delays after arrival in Egypt and the Sudan are now the exception rather than the rule.

(c) and (d) Not only has Christmas mail been delivered, but mails posted in India for over a month later have been delivered. Parcels however may take considerably longer than letters. It is true that letters arrive in batches.

(e) No

(f) The normal postal arrangements of Egypt and the Sudan are conducted by the postal services of those countries. If a letter intended for a member of the Expeditionary Force in Egypt or the Sudan is correctly addressed to the Base Postal Depot, Bombay, the letter will be dealt with entirely by military staff. If, however, a letter is not addressed to

the Depot it will be delivered to the normal postal system of the country concerned and some delay may ensue, because the officials of that postal system naturally do not know where units are to be found

STATEMENTS LAID ON THE TABLE

Information promised in reply to part (c) of unstarred question No 107 asked by Mr Muhammad Azhar Ali on the 10th March 1941

REMOVALS FROM SERVICE ON EAST INDIAN RAILWAY.

(c) The reply is in the negative

Information promised in reply to unstarred question No 129 asked by Mr Muhammad Azhar Ali on the 15th March, 1941

PROMOTION OF INSPECTORS OF STATION ACCOUNTS AND OF THE STAFF OF THE TRAFFIC ACCOUNTS BRANCH TO GAZETTED POSTS ON EAST INDIAN RAILWAY

- (a) Yes, vide rules 121 (2) and 126 of the State Railway Code for the Accounts Department Part I, a copy of which is available in the library of the House
- (b) Yes, to the post of Assistant Accounts Officers
- (c) Yes, two, to the rank of Assistant Accounts Officers
- (d) The reply to both the parts of this question is in the affirmative
- (e) and (f) Do not arise

Information promised in reply to unstarred questions Nos 154 and 155 asked by Qazi Muhammad Ahmad Kazmi on the 20th March, 1941

BOX PORTERS AT MORADABAD RAILWAY STATION

- No 154 —(a) Six
 (b) Eight
 (c) It is not a fact that the duty hours of Box Porters working in Coaching Yards have been increased to eliminate the necessity of employing more men. Their duty hours have been extended as on investigation, it was found that there was no justification for treating them as continuous workers

BOX PORTERS AT MORADABAD RAILWAY STATION

- No 155 —(a) The average weight of a loaded guard's box with complete equipment for both passenger and goods trains is one maund. The average number of trains that each box porter has to attend during his shift is 20
 (b) Yes Coaching Yard Box Porters, Watermen, Lampmen, Sweepers, Waiting room bearers, ayahs and Rivet porters
 (c) The Honourable Member is referred to rule 1 of Subsidiary Instructions in Appendix XI of the State Railway General Code

MOTION FOR ADJOURNMENT

ARREST AND DETENTION OF MR TRILOKI NATH SINGH OF LUCKNOW.

Mr. President (The Honourable Sir Abdur Rahim) I have received notice of a motion for adjournment of the business of the House from Qazi Muhammad Ahmad Kazmi. He wishes to discuss a definite matter of urgent public importance, *viz*, the failure of the Government of India to fulfil its undertaking to this House by not issuing proper instructions and keeping proper control over Provincial Governments in the matter of the enforcement of Defence of India Act and Rules and the consequent misuse by the said Governments of the powers under the said Act and Rules as appears from the arrest and detention of Mr Triloki Nath Singh, Chairman, District Board, Lucknow under section 129-A (a) of Defence of India Rules, who had lodged a strong protest against the undue interest taken by the District Authorities in the matter of no-confidence motion against the Chairman, as reported in the *Hindustan Times* dated the 31st March (Page 7). Has the Honourable Member got any personal knowledge of the fact or has he relied only on this report?

Qazi Muhammad Ahmad Kazmi: A letter was written by Mr Triloki Nath Singh which was printed in the *Pioneer* of the 28th regarding

Mr. President (The Honourable Sir Abdur Rahim) Was the letter written by him to the Honourable Member?

Qazi Muhammad Ahmad Kazmi: It was written to the District Magistrate and it has been published in the *Pioneer*.

Mr. President (The Honourable Sir Abdur Rahim) That may be, but beyond what has appeared in the *Hindustan Times* has the Honourable Member got any knowledge of the facts or made any inquiries?

Qazi Muhammad Ahmad Kazmi: I have got copies of some of the letters addressed by the gentleman to the District Magistrate and it was only on the 23rd that he wrote this letter

Mr. President (The Honourable Sir Abdur Rahim) Why does the Honourable Member say that it was owing to that protest that he was arrested?

Qazi Muhammad Ahmad Kazmi: Because he was not engaged in any political action whatever. It was only a dispute that was going on between him, the District Magistrate and the Commissioner regarding the Chairmanship;

Mr. President (The Honourable Sir Abdur Rahim) The next thing that I want to know is, how is the action taken by the local authorities against the undertaking given by the Government of India? It has been pointed out to the Honourable Member, time after time, that the local authorities are responsible for administering the rules

Qazi Muhammad Ahmad Kazmi: Sir, I want your ruling as to whether they are not bound to see that this Act is properly administered by the local authorities. While the Defence of India Bill was before this House, suspicions were expressed by many Members as to whether it would be properly administered and whether the provisions would not be misused. And the Leader of the House at that time said, on the 8th September, 1939, in referring to the speech made by Sardar Sant Singh

"He said that I should have given an assurance of the kind that was given in the House of Commons by Mr Winston Churchill. I do not know whether Mr Churchill was at that time a member of the Government, I do not think he was, but one of the reasons which he put forward for persuading the House to accept the emergency measure was the assurance which Sardar Sant Singh read out, and with all sincerity, on behalf of the Government I proceed to give that assurance to this House in those very words."

Mr. President (The Honourable Sir Abdur Rahim) What are the terms of the assurance?

Qazi Muhammad Ahmad Kazmi: I will read that. This is taken from Mr Churchill's statement

"This is a war to establish and revise the stature of man. Perhaps it may seem a paradox that a war undertaken in the name of liberty and right should require as a necessary part of its process the surrender for the time being of 'so many valuable liberties and rights'."

Then come the words on which I rely

"We are sure that these liberties will be in hands which will not abuse them and which will cherish and guard them and we look forward to the day confidently when our liberties and rights will be restored to us and when we shall be able to share them with people to whom such blessings are known."

Mr. President (The Honourable Sir Abdur Rahim) All that he said was that he had confidence in the authorities who will administer the Act.

Qazi Muhammad Ahmad Kazmi: He said further on

"As I have said, I repeat this assurance on behalf of the Government. I hope that that will be some comfort to Sardar Sant Singh."

Now, Sir, in giving this assurance that it will not be abused

Mr. President (The Honourable Sir Abdur Rahim) The assurance does not go so far as to say that the Government of India will exercise supervision over the way in which the Act and the rules are administered by each Provincial Government in each individual case. There was apparently no such assurance. The motion is disallowed.

MESSAGE FROM THE COUNCIL OF STATE

Secretary of the Assembly: Sir, the following Message has been received from the Council of State

"I am directed to inform you that the Council of State at its meeting held on the 29th March, 1941, agreed without any amendment to the following Bills which were passed by the Legislative Assembly at its meetings held on the 22nd and the 24th March 1941, namely,

1. A Bill to extend the date up to which certain duties characterised as protective in the First Schedule to the Indian Tariff Act, 1934, shall have effect;
2. A Bill further to amend the Indian Tariff Act, 1934;

[Secretary of the Assembly]

3 A Bill to provide for the imposition and collection of an excise duty on tyres, and

4 A Bill further to amend the Excess Profits Tax Act, 1940 "

THE INSURANCE (AMENDMENT) BILL—*contd*

Mr. President (The Honourable Sir Abdur Rahim) The question is "That clause 4, as amended, stand part of Bill"

Dr. P. N. Banerjea (Calcutta Suburbs Non-Moslem Urban) Sir, I beg leave of the House to withdraw amendment* No 20, which I had moved, and substitute it by another amendment

The amendment was, by leave of the Assembly, withdrawn

Dr. P. N. Banerjea: Sir, I now beg to move

"That in clause 4 of the Bill, in sub-section (5) of the proposed section 3A, for the words 'on being satisfied that the insurer has fulfilled' the words 'on fulfilment by the insurer of' shall be substituted"

This is not exactly what I wanted I wanted one rupee but now I will have to be satisfied with one anna Some of my friends would perhaps say that I should not have agreed to this compromise But as there is no chance of getting the whole thing I will have to be satisfied with a very small part Now, I should like to point out what difference it makes in the clauses of this Bill by the insertion of this amendment In the Bill as it emerged from the Select Committee the words are, "on being satisfied" The meaning of that is that the insurers would have to satisfy the Superintendent that the provisions of that section were fulfilled The amendment now moved removes the words "on being satisfied" It is not necessary for the insurers to satisfy the Superintendent of Insurance, but it is necessary for them to fulfil the conditions laid down in that section

Mr. President (The Honourable Sir Abdur Rahim) The Chair understands there is no dispute about this amendment?

Dr. P. N. Banerjea: Yes, but I wish to satisfy my friends on this side It may be argued that the question whether the conditions have been fulfilled or not will depend on the Superintendent of Insurance That is a difficulty The Superintendent still may say that the conditions have not been fulfilled But the amendment which I have just moved is an improvement on the existing clause, and I would ask my friends in this House to accept it

"That in clause 4 of the Bill, in sub-section (5) of the proposed section 3A, for the words 'being satisfied that the insurer has fulfilled the requirements of this section' the following be substituted :

'receipt of the application for the renewal of a registration together with a receipt from the Reserve Bank of India or the Imperial Bank of India, or a Government treasury about the payment of the prescribed fee shall within a fortnight from the date of the application'"

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in clause 4 of the Bill, in sub-section (5) of the proposed section 3A, for the words 'on being satisfied that the insurer has fulfilled' the words 'on fulfilment by the insurer of' shall be substituted"

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The question is "That clause 4, as amended, stand part of the Bill"

The motion was adopted.

Clause 4, as amended, was added to the Bill

Mr. President (The Honourable Sir Abdur Rahim) The question is "That clause 13 stand part of the Bill"

Mr. Akhil Chandra Datta (Chittagong and Rajshahi Divisions Non-Muhammadan Rural) Sir, I move

"That clause 13 of the Bill be omitted"

This is rather a small matter. This clause seeks to amend section 17 of the Act. It is very interesting to observe that there have already been 6 amendments of this section and this will be the seventh amendment in the course of over two years. This is a record of which the Department may very well be proud. Section 17 of the Act deals with the exemption from certain provisions of the Indian Companies Act of 1913 and contains the following words

"such copies so sent shall be dealt with in all respects as if they were filed in accordance with that section"

But although that is the object of this section, namely, exemption from the provisions of the Indian Companies Act and although it was intended that such copies so sent shall be dealt with in all respects as if they were filed in accordance with that section, it is now proposed to levy a filing fee, that is, that there should be no exemption so far as filing fees are concerned. That is the proposal. Of course, it is a small matter, but at the same time it shows to what extent the attempt for placing further financial burdens upon the companies has gone. Nothing remains unexplored for the purpose of raising fresh taxation. These are small matters, but involve some questions of principle. I, therefore, move

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved:

"That clause 13 of the Bill be omitted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar (Member for Commerce and Labour) Sir, the position is very simple. Section 17 requires that certain things, that ought to be done under the Companies Act, need not be done. If there was any question of exempting filing fees or even a case of foregoing certain revenues, it would have been specifically put there. As a matter of fact, that was not the intention, and companies have paid the filing fees, and Registrars of Joint Stock Companies have accepted them. One or two cases have arisen where the Registrar has felt a doubt whether this exemption goes so far as to concede exemption from the filing fees. It is only to clarify the position that this amendment has been suggested.

Mr. Amarendra Nath Chattopadhyaya (Burdwan Division Non-Muhammadan Rural) Will the Honourable Member explain what is meant by "same fees" in this clause 18?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The same fee as was chargeable to similar copies sent by any other company that is not an insurance company that is to say, the fees will be the same as it used to be and as it continues to be under the Companies Act. The exemption does not extend to the question covered by this amendment.

Mr. Akhil Chandra Datta: Apart from the merits of the matter, the language is rather unhappy.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I shall have that examined.

Mr. President (The Honourable Sir Abdul Rahim) The question is
"That clause 13 of the Bill be omitted"
The motion was negatived

Mr. President (The Honourable Sir Abdul Rahim) The question is
"That clause 13 stand part of the Bill"
The motion was adopted
Clause 18 was added to the Bill

Mr. President (The Honourable Sir Abdul Rahim) The question is.
"That clause 14 stand part of the Bill"

Mr. Amarendra Nath Chattopadhyaya: Sir, I move
"That in clause 14 of the Bill, in the proposed proviso, for the word 'four', occurring in the third line the word 'six' be substituted"

This clause is an amendment of section 21 of the Act. That section—sub-section (2)—deals with the power of the court to direct the acceptance of any return by the Superintendent. The difficulty lies in this the Superintendent has got enormous powers under this Act, and, therefore, those who are running companies should be given some facilities with regard to time. The proposed proviso says that no application shall be entertained unless it is made within four months. My amendment is that this four months should be extended to six months. It will not hamper the Government with regard to getting money. It is only a question of two months more. I hope Government will accept this amendment.

Mr. President (The Honourable Sir Abdul Rahim). Amendment moved

"That in clause 14 of the Bill, in the proposed proviso, for the word 'four', occurring in the third line, the word 'six' be substituted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, the House will find that in the Bill, as introduced, the period was 3 months the Select Committee went into this very carefully, and we conceded that it may extend up to four months. This is a case where the

insurer has to make up his mind whether to apply to the court, and four months is ample time for that purpose. Any longer delay will impede the preparation of the year book which is already out of date. It will also mean that the interests of the policy holders will suffer if matters which are serious enough to require the Superintendent of Insurance to take certain action are delayed up to six months. I believe we have met the position of Insurance companies amply by extending the period from three to four months in the Select Committee.

Mr. President (The Honourable Sir Abdur Rahum) The question is "That in clause 14 of the Bill, in the proposed proviso, for the word 'four', occurring in the third line the word 'six' be substituted."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahum) The question is "That clause 14 stand part of the Bill."

The motion was adopted.

Clause 14 was added to the Bill.

Clauses 15, 16 and 17 were added to the Bill.

Mr. President (The Honourable Sir Abdur Rahum) The question is "That clause 18 stand part of the Bill."

Mr. Amarendra Nath Chattopadhyaya: Sir, I move

"That in sub-clause (a) of clause 18 of the Bill, to the proposed sub-section (2) the following proviso be added:

'Provided that an insurer shall be deemed to have complied with the provisions of Section 27 if fifty per cent of the book value of head office building of an insurer can make up the deficiency in the amount required to be invested in Government securities or other approved securities'."

Clause 18 deals with section 28 of the Act which is concerned with the statement of investments of assets. Section 27 of the original Act deals with investment of assets and restriction on loans. My amendment only adds that the assets of the insurance company which are in their own buildings should be taken as security and should be adjusted against any deficit in the deposits. The insurer has under this section to submit a statement of the assets. The amendment is

"Provided that an insurer shall be deemed to have complied with the provisions of Section 27 if fifty per cent of the book value of head office building of an insurer can make up the deficiency in the amount required to be invested in Government securities or other approved securities."

Sir, the Government securities are there, and there are also other approved securities, and even in spite of all these securities there is a deficiency, then fifty per cent of the book value of head office building of an insurer should be adjusted to make up for the deficiency. Sir, this is a very reasonable amendment, and I hope the Honourable the Commerce Member will have no difficulty in accepting this.

Mr. President (The Honourable Sir Abdur Rahum) Amendment moved

"That in sub-clause (a) of clause 18 of the Bill, to the proposed sub-section (2) the following proviso be added:

'Provided that an insurer shall be deemed to have complied with the provisions of Section 27 if fifty per cent of the book value of head office building of an insurer can make up the deficiency in the amount required to be invested in Government securities or other approved securities'."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I think it would help the House if I indicated my position broadly with reference to this and the following amendments. These amendments to section 27 of the Act are not referred to in this section at all. I have not taken objection on a point of order, because I think it would be easier if I state my views on this subject on merits. Section 27 requires that a certain percentage of the assets should be kept in the Reserve Bank in the form of securities. What the Honourable Members are trying to do is to widen the scope of those assets by including the cost of the head office buildings. The proposal, that all head office buildings should be included, have been made. There is also an alternative proposal that the head office buildings in Presidency-towns should be included. This question was gone into very thoroughly on the last occasion when the Insurance Bill was passed. The House will remember that the proposal of the Select Committee was that 66 per cent of the assets should be kept in this form, and during the Committee stage in this House on the original Bill it was reduced to 55 per cent. I am unable to accept any further reduction, Sir, specially through this indirect method of amending section 28 of the Act instead of by the direct method of amending section 27. This is not the time when the nature of the assets, as is required under section 27, could be weakened. The question of the head offices is a very difficult question. These assets have to be kept with the Reserve Bank and the House will remember that on the last occasion Sir Nripendra Nath Sircar was not willing to include even first mortgage of houses in Presidency-towns among the securities intended to be included under section 27. The value of head offices, the difficulty of the Reserve Bank having to ascertain the title deeds of these offices, the difficulty whether these are such liquid assets as would guarantee to the policyholder that certain portions of the assets are kept in the Reserve Bank, these are all difficulties which are even of a graver nature now than when the original Bill was passed. Under these circumstances, I should like to indicate the position of the Government quite frankly, that they are unable to accept any alteration of section 27 in the directions contemplated by the various amendments at the present juncture in particular. If at any time it is possible to widen the scope, it may be that head offices in Presidency-towns alone may be thought of. At that stage the conditions under which the valuation of those head offices could be included, the terms of their valuation, whether it should be on a rental basis or otherwise, will all have to be carefully considered. But, at the same time, I must say that if it is only a question of head offices in Presidency-towns, all the indications are that the younger life insurance companies and the smaller insurance companies will be up against such a proposal, and they will feel that they have been discriminated against very badly, because many of these younger companies have their head offices away from the Presidency-towns, in small towns in the mofussil. Until all those circumstances, Sir, my position is that at the present time I cannot contemplate widening the scope of the securities included under section 27 of the Act.

Mr. T. Chapman-Mortimer (Bengal European) Sir, I did not realise when amendment No. 25 was being moved that the Honourable the Commerce Member would reply to all the amendments to clause 18 of the Bill, as he has done, and I should like to know, Sir, whether you will give your ruling to allow him to reply to a point which I wish to make, either now or later to amendment No. 27 when it is moved by Dr Banerjea . . .

Mr. President (The Honourable Sir Abdur Rahim) Well, if that will satisfy other Honourable Members, the Chair would not mind adopting that course. In that case the Chair does not know if other Honourable Members want to move their amendments or not.

Mr. T. Chapman-Mortimer: That is my point. I take it that because the Honourable the Commerce Member has replied, as he has done, my friend, Dr. Banerjea, will move his amendment, and I may speak on that, and the Honourable the Commerce Member will perhaps reply at that stage, in other words.

Mr. President (The Honourable Sir Abdur Rahim) There are quite a number of amendments regarding this.

Dr. P. N. Banerjea: Not only that.

Mr. President (The Honourable Sir Abdur Rahim) Do the Honourable Members want to move all of them and discuss them? If the Honourable Member can fix upon any particular amendment the discussion of which will solve his difficulty, then it might be.

Dr. P. N. Banerjea: There are several amendments, Sir, and the scope of these amendments is not the same. There are amendments not only with reference to clause 18 of the Bill, but also with reference to clause 2, namely, the definition clause.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I may say to clarify the position that I thought the House would like to have a general statement from me about the whole position. Of course, I am prepared to reply to individual amendments if they are moved.

Mr. T. Chapman-Mortimer: We are very grateful to the Honourable Member. We only wanted to be sure that you would not rule him out of order when he rose to reply.

Mr. President (The Honourable Sir Abdur Rahim) Unless they are covered by these amendments.

Mr. Akhil Chandra Datta: Sir, two very important questions are involved in this amendment. One is the question of deposit to be kept with the Government to safeguard the interests of the policy holders, and the question of the scope of approved securities. The Honourable the Commerce Member has told us very kindly that most of these provisions, at least some of these amendments, are made to meet the wishes of the insurance companies so as to make their position easy enough. May I tell him,—he knows it very well—that if there was one question on which there is an insistent demand from the insurance companies, it was on this question of 55 per cent., and regarding the interpretation of the 55 per cent., as also regarding the enlargement of the scope of the definition of approved securities. As a matter of fact, I find that the very first item, among the numerous, which was mentioned by the Government in the

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memorandum they had issued for discussion was this, that section 2, clause (3), the proposal for the definition of approved securities should be further extended to include the head office building and so on As a matter of fact, all the insurance journals even after the introduction of this Bill, have been insistently demanding that that grievance should be remedied when this amending Bill was being considered The Honourable the Commerce Member has told us that in the original Bill it was 66 per cent , but he knows that it was made 66 per cent by the Select Committee. The original proposal of Sir Nripendra Sircar was 33 1/3 per cent That was the original proposal of the Government, but for reasons with which I need not trouble the House,—that story is well-known to those who took part in the discussion of that Bill,—it is unfortunate that it was raised to 66 per cent by the Select Committee, and the Government thought it proper to give their consent to reducing it to 50 per cent So that argument does not help the Honourable the Commerce Member If we read the history of the existing provision and if we read the earlier history of the provision in the Act of 1912, and of the Draft Bill of 1925—if we go into the entire history of the whole question and if we take into account the position of the law on this particular matter in England, then it will be clear that this provision is a very drastic provision and there is no justification for it But we are not at liberty to open that question That provision is an accomplished fact and we must accept it Here is a very limited proposal, namely, that the value of the head office building may be taken into account To a certain extent, the Honourable the Commerce Member himself admits that it will not be improper to extend the scope to buildings, but he says that it ought to be confined to those in Presidency towns only A building, if it has a value in Calcutta or Bombay has its value also in the mofussil That makes no difference in principle

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Not on the return that the building may fetch

Mr. Akhil Chandra Datta: The value will depend upon the return

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The value will depend upon the cost of the building

Mr. M. S. Aney (Berar Non-Muhammadan) I would not like you to commit yourself to that position

Mr. Akhil Chandra Datta: I am afraid I could not follow the Honourable Member If a Calcutta building has a value, if a mofussil building has a value, the cost of the building will also be taken into consideration at the time of assessing the value of the mofussil building

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: That is so

Mr. Akhil Chandra Datta: So, as a matter of principle, there should be no distinction made, if you concede, as the Honourable Member has conceded, that he is prepared to go to this length, namely, buildings in the big cities,—then I do not see any reason why that should not be extended to the mofussil buildings also I am sure the Honourable the

Commerce Member will bear me out when I say that there is a regular cry about this bit of amendment from all insurance companies. Even today I have received an insurance journal which repeats the demand. Every insurance journal has demanded it. My submission is that this amendment does not go far enough, but even so, as it is, it should be accepted. I do not know if it is a question of revenue either. It is not a question of direct revenue. The question is how much should be invested in the gilt-edged securities and in other securities. That is the whole question. If the Government are at all anxious to meet the wishes of insurance companies this is a point in which they should do so.

- **Mr. M. Ghiasuddin** (Punjab Landholders) As regards this clause 18 and the amendment which is now under consideration, I should like to have an assurance from the Honourable the Commerce Member before this clause and the amendment are put to the House. There is a Note of Dissent which is signed by Sir Cowasji Jehangir, Mr Essak Sait and myself. I will read that portion of the Note of Dissent as relates to clause 18.

"Sub section 1 requires an insurer to furnish within thirty one days from the beginning of the year a statement showing as at 31st of December the assets held invested in accordance with section 27 and all other particulars necessary to establish that the requirements of that section have been complied with. It is understood that the figures given by insurance companies with regard to their liabilities of policies on their books, their total premium income, their total income from interest, etc., and their total outgo can only be approximate. It is further understood that if reasonable care is taken in making the approximations, the statement made by a company will not be challenged by the Insurance Department."

When the Honourable the Commerce Member replies to the debate generally on clause 18, I hope he will give an assurance that the spirit underlying this part of the Note of Dissent will be accepted.

Mr. T. Chapman-Mortimer: The Honourable Member has just made precisely the point that I had intended to raise myself. I hope very much that the Honourable the Commerce Member will see his way to meet the House on this point.

It will be readily understood by those who are familiar with the working of the Insurance Act that it is not easy for the insurers, in every case, to submit absolutely correct returns such as would be certified by their auditors when they come to be audited. We, therefore, feel that if an insurer *bona fide* submits his list of assets and shows that they are approximately 55 per cent., then if later when his accounts are audited, it shows that there was a variation of some small amount between the audited accounts and the return as prepared by him in the very short time allowed under this clause,—that he will not be hardly treated by the Department. I believe the Department,—the Superintendent of Insurance in particular, is fully alive to this difficulty. He knows the difficulties of insurers and I am quite sure that he will treat the matter leniently, but that is not to say that I am putting in a plea of any kind or sort for people who put in incorrect returns or for companies that fail to comply with the obligations under the section. Not at all. All I am asking is that if a company *bona fide* has made a return under this section and later on when the accounts are audited some months later, it transpires that the return was not absolutely correct, they will not be penalised *merely* on that account. They may, of course, be penalised on

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some other account, but not *merely* on that account I support the argument of my Honourable friend Mr Ghiasuddin, and I hope that the Honourable the Commerce Member will see his way to meet the House on this point

Dr. F. X. DeSouza (Nominated Non-Official) Sir, the Honourable the Commerce Member has indicated in no uncertain terms his attitude towards the amendment seeking to enlarge the scope of the definition of an approved security. With regard to head office buildings, he said that this was not the time to consider inclusion of head office buildings in the category of approved securities because this was war time and one did not know what might happen. Then, he said, whatever may be his view in future about buildings in Presidency Towns, he certainly will not consider that head office buildings in the mofussil towns should be so included. This is a clear indication of his attitude, but with all due deference, I should like to appeal to that eminently Madrasi quality, the quality of sweet reasonableness. I should like to tell him that this is not the time when he should do anything which will have the effect of weakening the financial condition of smaller companies. As I said the other day, their incomes, I mean the incomes of small insurance companies, are dwindling. Business is slack and lapsed policies becoming increasingly frequent. If so will it not be a relief to them to say that their head office buildings will be regarded as part of the approved securities and what is the objection? He says that it is not at all certain that they will give any return but why not? The other securities—the Government securities, may be fluid securities, as he calls them but don't they fluctuate? Did not Government paper fall very low during the last war? Compared to that, the head office buildings in a large town or in a presidency town is a very great advantage. Then again, I strongly protest, with all due deference, against his indication of his policy that he is not going to consider the buildings in smaller cities as "approved securities". Why not? Is not the value of a given building in a city like Bangalore as good as a building in Calcutta or Bombay? Does it not yield as much proportionate return? You may not have such palatial buildings fetching fabulous rents but the return on these buildings, whether they are in Bangalore, Calcutta, Madras or Bombay yields the same percentage. What we ask for is that a rough estimate say 50 per cent of the capital value of the head office building should be taken into account and I respectfully ask the Commerce Member not to discriminate between the head office buildings in the presidency towns and those in smaller towns. That is all I have to say on this amendment.

Mr. President (The Honourable Sir Ahdur Rahim) The question is

'That in sub clause (a) of clause 18 of the Bill, to the proposed sub-section (2) the following proviso be added

'Provided that an insurer shall be deemed to have complied with the provisions of Section 27 if fifty per cent of the book value of head office building of an insurer can make up the deficiency in the amount required to be invested in Government securities or other approved securities'."

The motion was negatived

Dr. P. N. Banerjea: I beg to move

"That in sub clause (a) of clause 18 of the Bill, the proposed sub-section (3) be omitted"

This does not involve a question of principle, the principle to which my Honourable friend, the Commerce Member, referred a few minutes ago. This clause refers to the power which is to be given to the Superintendent of Insurance for insisting on full particulars being given with regard to the quarterly statements which are to be made. I may explain in this connection that in the existing Act, the Act which was passed four years ago, it is laid down that each insurer has to submit six-monthly returns to the Superintendent of Insurance. Now, under the amending Bill the Honourable the Commerce Member wants to substitute three-monthly statements for six monthly statements but in these three monthly statements he does not require certain details to be given. To that extent it is an improvement, because it is not possible to give any details of the investments and assets and so forth every three months. The papers may not be ready, the Head office of an insurance company may not get particulars from its branch offices and there may be various other difficulties. So far I support the amending provision of the amending Bill. This is to be found in sub-clause (2) of clause 18. But sub-clause (3) goes further. It says

"The Superintendent of Insurance may at his discretion require any insurer to whom sub-section (1) applies to submit before the 1st day of August in each or any year a statement of the nature referred to in sub-section (1), certified as required by that sub-section and prepared as at the 30th day of June."

This has to be read with sub-section (1) and sub-section (1) mention—I will not read the whole sub-section—the assets held invested in accordance with section 27 and all other particulars necessary to establish that the requirements of that section have been complied with and such statement shall be certified by a principal officer of the insurer.

Sir, in my opinion these statements with full particulars relating to assets investments and other things should be insisted on only once during the year and during every quarter of the year the statements laying down in broad outlines the assets of the investments should be given,—not all those details. If that is insisted on, there will be a great deal of difficulty on the part of the insurers. Besides this sub-section gives the Superintendent of Insurance very great power. It gives him the discretion to direct that the statement must be submitted before the 1st of August. If the Superintendent takes up a hostile attitude towards an insurer, he can put him to great trouble. The Superintendent enjoys already very great powers and I would not trust him with this power. What would be the result of entrusting him with such power? You insist on all the particulars being supplied every year but in the middle of the year, on the 1st of August, you again compel him to give all particulars and have that certified by an actuary. This sub-section is not necessary and it will hamper the business of every insurance company. I therefore suggest that while sub-clauses (1) and (2) should be retained sub-clause (3) which gives the Superintendent of Insurance discretionary power in requiring particulars to be given for half the year be omitted. This is not a very great demand that I am making. That is indeed a very modest demand. Why should it be necessary to give the Superintendent of Insurance this power which may be abused?

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub clause (a) of clause 18 of the Bill, the proposed sub section (3) be omitted."

Mr. J. H. Thomas (Government of India Nominated Official) I should like to point out that this scheme, as outlined in clause 18 of the Bill, has already been agreed to by the insurance interests. I do not think it is going too far to say that the whole scheme of clause 18 is their suggestion.

Dr. P. N. Banerjea: As for the third part, I have received a letter from many insurance companies. They are opposed to it. They are not opposed to the first and the second parts but they are opposed to the third part.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, the Honourable Member has already said that the essentials of these schemes have been accepted by the insurance companies and it is really, at their instance that this clause has been framed. The original section required, every six months, all the particulars to be provided for by the insurance companies. This was considered a great hardship by the insurance companies. I admit that there are two conflicting interests to reconcile—one, of the insurance which felt it a hardship that twice a year they should give the entire details, and, two, the interests of the policy holders which would have to be safeguarded against a possible evasion of these provisions. The first and the second sub-sections as Dr. Banerjea realises, have been provided to facilitate the task of insurance companies, but the third sub-section relates to the possible case where an insurance company evades this responsibility, and for special reasons, the Superintendent of Insurance in the interests of the policy holders is empowered to ask them to provide for a second return. It is only for very rare cases, and as there is a possibility of evasion and in the interests of policy holders, this provision has been made in this clause. Now, as regards the general manner in which this would work, I shall take this opportunity of explaining with reference to the remarks made by my two Honourable friends, Mr Ghiasuddin and Mr Chapman-Mortimer, that we wish to make it perfectly clear that these quarterly statements cannot be absolutely accurate. Government recognise that fact, in fact, it is expected that only approximations can be arrived at, and approximations will be accepted by the Superintendent of Insurance. If, as my Honourable friend, Mr Chapman-Mortimer, suggested, the *bona fides* of the statements are assured and there is no desire to keep back or put forward a statement which, in essence, is false or known to be false, then, if that is not the case, any approximation will be accepted by the Superintendent of Insurance. We do not require a perfectly accurate statement. We realise that it is impossible to have such a perfectly accurate statement. In calculating these assets, and in making a list of these assets, one may not be able to follow, with precision, the whole of the position, and, therefore, we are perfectly willing that this statement, to be submitted quarterly, should give the figures which may not entirely agree with the audited figures in the return to be submitted later, but are a sufficient approximation to be realistic for our purposes.

Mr. Amarendra Nath Chattopadhyaya: Will the Honourable Member explain why it is said "before the 1st of August"?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: "Certified as required by that sub-section and prepared as at the 30th day of June" it requires one month's more time after the 30th day of June, and thus it is "before the 1st of August".

Mr. President (The Honourable Sir Abdur Rahim) The question is "That in sub-clause (a) of clause 18 of the Bill, the proposed sub-section (3) be omitted"

The motion was negatived

Maulvi Muhammad Abdul Ghani (Burhut Division Muhammadian) Sir, there is no quorum, I think?

(The Bell was then rung, and there was a quorum)

Dr. P. N. Banerjea: Sir, I move

"That in sub-clause (a) of clause 18 of the Bill, for the proposed sub section (3) the following be substituted

'(3) The investment made by the insurer in Policy loans and the deposits made by the insurer under section 7 shall be taken into account for the purpose of fulfilling the obligation regarding investment of 55 per cent or such smaller amount as the case may be of the Policy liabilities as per section 27'"

Sir, I thank the Honourable the Commerce Member for his attitude towards this amendment, he says that he will not raise any question of order with regard to it. So far, it is quite all right. Now the Honourable the Commerce Member suggested a few minutes ago that this amendment seeks to alter or amend section 27 of the Act. But I do not wish to amend the Act in any way. What I wish to do is to make the meaning of that section quite clear so as to give proper instructions to the Superintendent of Insurance with regard to that interpretation. I do not wish to amend it. Now I should like to read before the House the section 27 which runs thus

"Every insurer incorporated or domiciled in British India shall, subject to the provisions of sub section (3), at all times invest and hold invested assets equivalent to not less than fifty five per cent of the sum of the amount of his liabilities to policy-holders in India on account of matured claims and the amount required to meet the liability on policies of life insurance maturing for payment in India, less the amount of any deposit made under section 7 (or section 98) by the insurer in respect of his life insurance business and less any amount due to the insurer for loans granted by him."

Sir, the interpretation that has been put by the Superintendent of Insurance is that out of this 55 per cent what will have to be deducted is the amount of deposit and also the amount of loans granted to the policy-holders. Now is that interpretation justified? The Superintendent of Insurance is an able man and I know he knows the English language. He can easily see that there is a comma after the words "payment in India" and before the word "less". Therefore, it cannot be interpreted in the way in which he wishes to interpret it. So far as the English language is concerned, there is no doubt unless he wishes to introduce a new grammar and a new system of punctuation. Then coming to the substance of it, Sir, you know that this section was considered very thoroughly by the Assembly four years ago, and the question was what percentage of the investments should be made absolutely safe. Many amendments were moved, and ultimately it was decided that 55 per cent should be absolutely safe, and the remaining 45 per cent should be left to the discretion of the insurer to invest in any profitable manner he might think fit. I do not think any Member of this House said on that occasion that from the 55 per cent the deposits should be excluded. Why should the deposits be excluded? The question is about the safety of the money of the policy-holders. Now, is the deposit which is in the hands of the

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Government insecure? If that be so, then there was no necessity for requiring any deposit. The deposit was required in order to make the position of the money of the policy-holders quite secure. Now it is proposed to deduct that I do not know what sense there is in taking this view. Then, there is also another matter. The loans are given to the policy-holders on life insurance policies within their surrender value. Is that not absolutely secure? If the re-payment is not made by the policy-holders, then the surrender value is attached by the insurer. Therefore, these two items are absolutely secure. The point which was debated here time and again on that occasion was "What is the percentage of the assets which should be held in a perfectly secure position?" Now, can it be said that these are insecure loans? The purpose of the Act is entirely evaded when such an interpretation is put. Apart from the grammatical construction of this sentence I suggest that substantially, this interpretation cannot be held good.

Sir, I will read another portion of this section. "This investment should be made in the manner following, namely, 25 per cent of the said sum in Government securities and a further sum equal to not less than 30 per cent of the said sum in approved securities." So, the Legislature went into great detail as to the amount of secure investments. It laid down that 55 per cent of the assets should be invested in such a manner and the remaining amount, 45 per cent, should be left to the option of the insurer to invest in such a profitable manner as he might think fit. I do not see any point in arguing that the sum of deposit that is held with the Government is not secure. Does my Honourable friend think that the British Government will lose the war and therefore the deposit that is held with the Government is an insecure amount? In that case, what about the other securities? It is an absurd position to take up. Then, also, what about the loans which are given to the policy-holders within their surrender value? If the policy-holders are unable to pay back the loans, then their surrender value goes. Thus the insurer takes the amount from the policy-holder. He has got that amount in his own hands and he forfeits that amount. What reason can there be for putting this interpretation?

Sir, I am not alone in putting this interpretation but I have heard that many eminent lawyers also have put the interpretation which I have put. One of the Members of this House, Mr Sri Prakasa, who was a member of the Select Committee at that time and who took a great deal of interest in this matter, expressed himself as follows: "The object of this is to over-estimate the amount." That is to say, not to fix it at 55 per cent but to raise the amount to 75 per cent. Why should it be so? It is misinterpreting the law. The Superintendent of Insurance has not been given the power to make laws, he is to follow the law that is laid down. Now, my friend, Mr Sri Prakasa, says that this really means over-estimation. He is definitely of the opinion, and he expresses it in an article published in the *Insurance Herald* that "there was and could have been no idea like that." He proceeds further:

"I am quite clear and definite in my mind that the intention of the Legislature was that 55 per cent of the liabilities of policy-holders should be absolutely secure and a company should have 45 per cent and not more than that for investments at their own discretion on terms that they regard as best in their own interests."

This is the view of a person whom all will regard as an honest person who took a great deal of interest at the time of the passing of this Bill and who was a member of the Select Committee as well as a Member of the Assembly Sir, I hope the time has now come to make this point perfectly clear The Superintendent of Insurance should not be given the power to legislate in a matter of this sort His business is only to administer the law and not to legislate I am sorry that he has sought to legislate

I have been informed from many quarters that this matter was placed before the Honourable the Commerce Member, but he took up a different position He said that the aggrieved persons could go to a court of law Now, there are various difficulties in going to a court of law In the first place, there is the question of the cost The suit has to be taken up to the High Court and the small companies find it very difficult to meet the cost Secondly, there is the question of the loss of prestige Propaganda will be made against these companies, it will be said that their position is not sound and they are not able to invest 55 per cent of their assets in approved securities For these reasons it is not possible for the small and young companies to go to the law courts to have the question settled But the position is absolutely clear There cannot be a shred of doubt about the clearness of this interpretation and I hope the Honourable the Commerce Member who is fair-minded on some occasions

An Honourable Member: What do you mean by that?

Dr. P. N. Banerjea: I do not mean that on other occasions he is not fair-minded, but sometimes he does not look at questions from the same angle of vision from which we look at them But he is a fair-minded man, and I hope he will consider this question and accept my amendment You should not compel the Insurance Companies to go to a court of law in order to have this point cleared up

Sir, if we look at it from whatever aspect we like, I think the Superintendent of Insurance has been wrong and his view should not prevail I do not wish to blame the Honourable the Commerce Member for the attitude he has taken up, and his attitude has been interpreted in some quarters as one of inferiority complex I do not however hold that view He is not regarded as suffering from an inferiority complex because the Superintendent of Insurance happens to be an Englishman He can treat his European subordinates just as they deserve to be treated, but it may be said that he thinks that the Superintendent of Insurance is an expert on the subject and that he himself is not an expert, and therefore he bows to the decision of the Superintendent in this matter If that be so, I ask him to consider whether any such provision exists in the English law of England The Superintendent of Insurance is familiar with the English law; can he tell us whether any such thing exists in England? If not, the Honourable the Commerce Member should not bow to the decision of the Superintendent of Insurance Although the Honourable the Commerce Member may not be an expert, he is an intelligent man and he possesses fine common sense

Mr. President (The Honourable Sir Abdur Rahim) All that is not relevant to the amendment

Dr. P. N. Banerjea: These are matters which have got to be decided not only by experts but by men who possess common sense and intelligence. In England what do we find? Who is the War Minister? He is a civilian.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member need not dilate on

Dr. P. N. Banerjea: I emphasise once again that the interpretation of this matter should not be left entirely in the hands of an expert like the Superintendent of Insurance.

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House) Or like Professors of Economics

Dr. P. N. Banerjea: Professors of Economics possess common sense

The Honourable Sir Muhammad Zafrullah Khan: Why should not the Superintendent of Insurance possess the same common sense?

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub-clause (a) of clause 18 of the Bill, for the proposed sub-section (3) the following be substituted

'(3) The investment made by the insurer in Policy loans and the deposits made by the insurer under section 7 shall be taken into account for the purpose of fulfilling the obligation regarding investment of 55 per cent of such smaller amount as the case may be of the Policy liabilities as per section 27."

Dr. F. X. De Souza: Sir, I move.

"That in sub-clause (a) of clause 18 of the Bill, for the proposed sub-section (3) the following be substituted

'(3) The investment made by the insurer in Policy loans and the deposits made by the insurer under section 7 shall be taken into account for the purpose of fulfilling the obligation regarding investment of 55 per cent of such smaller amount as the case may be of the Policy liabilities as per section 27

Provided further that securities of Indian States are recognised as approved securities".

Sir, I need not say very much on this amendment because my Honourable friend, Dr Banerjea, has elaborated it at great length. The question, as he said, is one of interpretation. Personally I think his view of the interpretation is correct. I think the Superintendent of Insurance or rather the special technical actuaries in his office have given a very narrow interpretation. I think the interpretation should be that a deposit of two lakhs made by the companies under section 27 of the Act should not be deducted from the total policy liabilities and the 55 per cent should be calculated on the policy liabilities and the security of two lakhs should be deducted afterwards. I make the position quite clear by giving a concrete illustration. Take a company with, say, policy liabilities of 15 lakhs. Then, if the interpretation put upon it by the Superintendent of Insurance is accepted, what happens? As much as Rs 7,13,000 will have to be deposited in Government securities. Whereas if the interpretation for which I contend is accepted, only 6½ lakhs will have to be

invested in Government securities. The result is there is a difference of 1½ lakhs, in the money invested in Government securities thereby reducing *pro tanto* the income derived from the investments of the companies I do not wish to elaborate this point further as Dr Banerjea has already done it. All that I wish to say is this about the proviso which I have added as an addition to this amendment Honourable Members are aware that several Indian States like Mysore, Kashmir and Travancore have got their own insurance Acts which are in force, and so far as Mysore is concerned, the Act is almost word for word a copy of the Indian Act, except that the words 'Government of Mysore' are substituted for the words 'Government of India'. The result is they want that investment of 55 per cent securities should be made in Government of Mysore securities. Now, Sir, take the case of a company which is operating both in British India and in an Indian State. What is their position? Strictly speaking, if the law is interpreted in the strict sense of the word, you will have to invest 55 per cent in Mysore Government securities, and another 55 per cent in Government of India securities, making a total of 110 per cent which, of course, is absurd. What I do say is thus. Securities of Mysore and other States of similar financial status should be recognised as *pari passu* with Government of India securities. I say so for this reason their market quotations on the stock exchange of Madras, Bombay and Calcutta are sometimes higher than the market quotations of the Government of India securities. It may be argued what is the guarantee that their financial soundness will continue. The answer is obvious. Before any Indian State is allowed to float any loan, they require the sanction of the Government of India so that behind the Indian State concerned, there is the guarantee more or less of the Government of India. I, therefore, hope there will be no difficulty and I am sure the Honourable the Commerce Member will accept the proviso which I have moved that the Indian State Government securities will be recognised as on the same footing as the Government of India securities for the purpose of calculating the 55 per cent deposit. That is all I have to say.

Mr. President (The Honourable Sir Abdur Rahim) Further amendment moved

"That in sub clause (a) of clause 13 of the Bill, for the proposed sub section (3) the following be substituted

'(3) The investment made by the insurer on Policy loans and the deposits made by the insurer under section 7 shall be taken into account for the purpose of fulfilling the obligation regarding the investment of 55 per cent or such smaller amount as the case may be of the Policy liabilities as per section 27'

Provided further that securities of Indian States are recognised as approved securities."

Mr. T. Chapman-Mortimer: Sir, I think there has been a certain amount of misapprehension in connection with this clause. The position really is that it has to be considered along with section 27 of the main Act. And if Honourable Members will turn to section 27 they will find this—it will perhaps help Honourable Members to understand if I read the section:

"Every insurer incorporated or domiciled in British India shall, subject to the provisions of sub-section (3), at all times invest and hold invested assets equivalent to not less than fifty-five per cent of the sum of the amount of his liabilities to holders of life insurance policies in India on account of matured claims and the amount required to meet the liability on policies of life insurance " etc

[Mr T Chapman Mortimer]

The use of the word "hability" was deliberate. It was put in, if my recollection is correct, at the time when this Bill was passed in order to make it perfectly clear that it would be 55 per cent of the net habilities and not 55 per cent gross. Where a man has insured his life for (say) Rs 10,000 and has borrowed from the insurer, against the surrender value, perhaps Rs 1,000, the net hability is the difference between the amount advanced and the surrender value. I think if that is accepted it may be that Govt can accept this amendment,—if not exactly as worded, at all events in some form which would be acceptable to my Honourable friend, Dr Banerjea. If Government are of this opinion,—and I hope they will be,—I would suggest that the matter be left over until after Lunch and we could perhaps agree to an amendment which would meet the wishes of Dr Banerjea and also of Government.

Mr. Akhil Chandra Datta: Sir, there are two things in this amendment of Dr Banerjea. He wants that this investment of 55 per cent should include two things,—first policy loans and then deposit made under section 7. It is not merely a question of interpretation. So far as the question of interpretation goes I think the language is quite clear, and it has been very lucidly explained by Dr Banerjea. There can be no manner of doubt as to the plain meaning of these plain words. But that interpretation is confirmed when we consider the object of this control of investment. The whole question is about the control of investment by insurance companies. Our fundamental objection was that there should be no control of investment that the insurance companies should have absolute freedom in the matter of investment as they know how to manage their own business and what sort of investment will be beneficial to the shareholders and to the policyholders. But then Government took another view. They thought that after all the insurance companies may not invest their money very properly and therefore for the benefit of the policyholders they want to interfere with the internal management of the insurance companies with regard to the mode of investment. There was a lot of discussion as to the two systems, Canadian and English, and as to which system should be adopted in India. In the end it was the English system that was adopted, namely, the policy of minimum interference and maximum publicity. The whole of the Insurance Act was based on that principle and there were occasions during the passage of the Act when Sir Nripendra Sircar used to tell us that the power of Government in the matter of control has been sufficiently tightened up. We have accepted the principle of control over investment, the question now is, to what extent should that control go? On that, Sir, the real question is, what is the object of this control of investment? After all, it is for the benefit of the policyholders. It is said that you must invest your money (say) in Government securities to make the position of policyholders absolutely safe. Let us accept that principle. Now Dr Banerjea wants that the investment of 55 per cent should include the deposit under section 7. Section 7 says this:

"Every insurer shall deposit and keep deposited with the Reserve Bank of India for and on behalf of the Central Government cash or approx-

So the deposit under section 7 is made with the Central Government, it is made with the Reserve Bank of India for and on behalf of the Central Government. Is not that a sufficient safeguard for the policyholders? Is a gilt-edged security a greater security for the benefit of the policyholders than a cash deposit with the Central Government? It passes the comprehension of any one with common sense, it is impossible to appreciate the view which has been taken, namely, that 55 per cent should be over and above the deposit under section 9, and over and above the policy loans. You want the position of the policyholders to be safeguarded. The policy loan money is already in the hands of the policyholders. It is merely shedding crocodile tears to say that for the benefit of the policyholders you must take away money from the policyholders or take away the money from the Central Government. Therefore, speaking for myself, I should think that the section itself is very clear and it was not at all necessary to have an amendment like this, but I know the reason why Dr Banerjea is moving this amendment.

Dr. P. N. Banerjea: I am not amending the section. I am merely giving instruction to the Superintendent of Insurance.

Mr. Akhil Chandra Datta: I was submitting that really the section speaks for itself, and no instruction is necessary. However, he has moved this amendment, because, as a matter of fact, a wrong interpretation has been put upon this section by the Superintendent of Insurance.

May I say one word with regard to one of the most outstanding features of this Amending Bill? One of the objects is to increase the powers of the Superintendent of Insurance. In the main Act, as much control as possible has been taken by the Government. It does not stand to reason that further power and more power for interference and for control should be given to the Superintendent of Insurance, and, without meaning any disrespect for the present Superintendent, the experience of this short period as to the way in which the Act and the rules are being worked and interpreted shows that it is high time that there should be a halt, and no further powers should be given to the Superintendent. The existing powers are already sufficient. I support the amendment.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, my Honourable friend, Dr Banerjea, says that his amendment is not really an amendment of section 27 of the Act—it is intended to give certain instructions to the Superintendent of Insurance. I believe he has entirely misconceived the scope and functions of the Superintendent of Insurance otherwise I cannot understand why he should have made the remarks about the Superintendent on this particular clause at least. The Superintendent of Insurance himself has not interpreted the legal provisions of the Act. It is the legal advisers of the Government of India that interpret these legal provisions, and the Superintendent is guided by that interpretation. I am advised by the legal advisers of the Government of India that section 27 means what the Superintendent has in effect carried out. Let me put it this way. There are four different items involved in section 27. It is a question of one of two formulae—55 per cent of A plus B minus C plus D, or 55 per cent of A plus B, minus the whole of C plus D, and the interpretation that has been put

[Diwan Bahadur Sir A. Ramaswami Mudaliar]

by the legal advisers is that the 55 per cent refers to $[(A + B) - (C + D)]$. It is a question of legal interpretation, and the Superintendent does not come into the picture at all except in carrying out what has been interpreted legally for him or to him by the legal advisers of the Government.

Mr. M. S. Aney: May I just ask one question, whether, before carrying out what he understood to be the meaning of this section, he referred the matter to the legal advisers and then passed his orders?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Normally I would not have liked to say what happened within the corridors of the Secretariat, but in this case I may go so far as to say that the Superintendent did refer the matter to the legal advisers and has abided by the interpretation put upon this section by the legal advisers. Therefore, it comes to this, that this is really a matter which should be settled in a court of law if there are two interpretations that can possibly be put on the section. It is nobody's desire to amend section 27 on this particular point, and, therefore, if any insurance company would take the matter to a court of law—and I invite them to do so

An Honourable Member: Why do you not take it yourself?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Because my advisers have said the position is quite clear

Dr. P. N. Banerjea: Your advisers are wrong, as has been pointed out

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: If any insurance company takes this as a test case—and I would invite them without any reflection on their capacity to pay, to take this matter as a test case to the courts—I can give this assurance, that if the decision of the court goes against us, the Government of India will not try to amend section 27 so as to restore the interpretation that we have put on that section. I think that is a fair undertaking.

Dr. F. X. DeSouza: Will you pay the costs?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I am prepared to consider even that, provided it is a reasonable thing, and other preliminaries with reference to it are settled with the Government of India beforehand.

Dr. P. N. Banerjea: Not exceeding Rs 50,000?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: If you engage a barrister from England specially for the purpose or pay a fabulous sum to counsel in India, I do not think I can undertake to even consider the matter. But I do earnestly suggest that this matter may be treated as a test case and taken to a court of law, and I can give an undertaking that if the decision of the court is against the interpretation put on it by the legal advisers of the Government of India, the Government of India agree not to further amend this section so as to restore the original interpretation that we have put on that section.

Now, as regards my Honourable friend, Dr. DeSouza's proviso, I would have been very glad to accept it but for the fact that I anticipated it and provided in the amending Bill of 1940 the exact thing that Dr DeSouza wants. The Bill has been so amended that I am not surprised that Honourable Members have not been following these amendments as closely as they would otherwise have done. In the first place, in section 116 itself, the Government of India have power to recognise the deposits of some of the States securities. It says

"The Central Government may, by notification in the official Gazette, exempt any insurer constituted, incorporated or domiciled in an Indian State from the provisions of section 7 or section 96 relating to deposits or from the provisions of sub-section (2) of section 27 relating to the keeping of assets in India either absolutely or subject to such conditions or modifications as may be specified in the notification."

That was the original section, but I went further in 1940 when I introduced an amending Bill and placed the States on a basis of reciprocity with British India, and the approved securities definition itself has been amended so as to include "any security issued by the Government of an Indian State and specified as an approved security for the purposes of this Act by the Central Government by notification in the official Gazette". You will find no difficulty with reference to a State like Mysore.

Dr. F. X. DeSouza: Has a notification to that effect been issued to the insurance companies concerned, because I understand that the company in which I am interested addressed a letter to the Superintendent of Insurance and the only answer they got was that it is under consideration. It has been under consideration for a long time.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: What is under consideration is the question of the settlement of reciprocity right as between particular States and British India. Certain formalities have to be gone through, but the position is perfectly clear and has been made clear by the amendment of the Act. We have got the power to include it in approved securities. Under those circumstances I very regrettfully oppose the amendments.

Mr. President (The Honourable Sir Abdur Rahim): The question is,

"That in sub-clause (a) of clause 18 of the Bill, for the proposed sub section (3) the following be substituted

"(3) The investment made by the insurer in Policy loans and the deposits made by the insurer under section 7 shall be taken into account for the purpose of fulfilling the obligation regarding investment of 55 per cent or such smaller amount as the case may be of the Policy liabilities as per section 27."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim): Does Dr DeSouza want the Chair to put his amendment?

Dr. F. X. DeSouza: Sir, I beg leave of the House to withdraw my amendment.

The amendment was, by leave of the Assembly, withdrawn.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That clause 18 stand part of the Bill "

The motion was adopted.

Clause 18 was added to the Bill.

Clause 19 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That clause 20 stand part of the Bill "

Mr. Amarendra Nath Chattopadhyaya: Sir, I move:

"That in sub-clause (a) of clause 20 of the Bill, before the words 'order an investigation' the words 'with the approval of the Central Government' be inserted "

Sir, the same controversy is there about the power of the Superintendent of Insurance. Before the Superintendent orders an investigation, if there should be a controversy between the Superintendent and the insurance company, the controversy should be referred to the Government. That is the position. The Honourable the Commerce Member said that whenever there is any case for interpretation, the Superintendent can send for investigation on his own responsibility if he thinks fit, and if that is permitted, then the parties will be aggrieved. So it is better that this investigation should be ordered with the approval of the Central Government. I hope this amendment will be accepted by the Honourable Member in charge.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved:

"That in sub-clause (a) of clause 20 of the Bill, before the words 'order an investigation' the words 'with the approval of the Central Government' be inserted "

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, Honourable Members may recall to memory the fact that in the original Bill as introduced in the House the words "subject to the control of the Central Government" were inserted. The Select Committee removed those words and thought it better to give this power to the Superintendent of Insurance. In the absence of any reason why this power should not continue with the Superintendent of Insurance and in the absence of any suggestion that this power has been abused, I do not think I can go back on this decision of the House.

Mr. M. S. Aney: Sir, I only want to know what made my friend change his mind.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I was referring to the original Bill introduced by my predecessor.

Mr. President (The Honourable Sir Abdur Rahim): The question is:

"That in sub-clause (a) of clause 20 of the Bill, before the words 'order an investigation' the words 'with the approval of the Central Government' be inserted "

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) The question is.

"That clause 20 stand part of the Bill"

The motion was adopted

Clause 20 was added to the Bill.

Clauses 21 and 22 were added to the Bill

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That clause 23 stand part of the Bill"

• **Mr. Amarendra Nath Chattopadhyaya:** Sir, I move

"That in clause 23 of the Bill, part (c) of the proposed proviso be omitted"

Part (c) reads

"While the deposit last mentioned in clause (a) remains uncompleted, no accession, resulting from the arrangement to the amount already deposited by the insurer carrying on the amalgamated business or the person to whom the business is transferred shall be appropriated as payment or part payment of any instalment of deposit subsequently due from him under section 7 or section 98."

Sir, we have observed that it has been said that nothing can be changed in this amending Bill with regard to investment of approved securities. So when we move amendments on these lines, we feel very diffident as to the fate of our amendments. The clause which the Government have put in in this proviso is quite wrong, because it creates difficulties to insurers, particularly to small insurers. This part should be omitted as I have suggested, with a view to enable the small insurers to get time to pay up their deposits. Their deposits might have been paid by their own assets, which the Government have not accepted. Therefore, if this sub-clause (c) of the proviso were omitted, it would go a long way to help the insurance companies, particularly the smaller ones. Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That in clause 23 of the Bill, part (c) of the proposed proviso be omitted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, if I explain the very simple procedure in this case, probably the House will realise that there is no hardship in this matter at all. There are two companies, A and B, each of them, under section 27, is depositing a certain amount. A and B amalgamate. The amalgamated company then continues to deposit what it originally had to deposit. It is not that the deposit amount is in any way increased. What my friend suggests is that the amount deposited by the B company should be set off for further deposits. There would have been something in that if the total amount of the deposit was not limited, but the total amount is only two lakhs. When the deposit is paid originally, then there is no second deposit claimed under the Act. Therefore, it merely means that for the rest of the period for which, let us say, the senior amalgamated company has to continue to pay its deposit, the Honourable Member wants that those deposits should not be continued, and that credit should be given for that portion of the

[Diwan Bahadur Sir A. Ramaswami Mudaliar.]

deposit which has been brought over to the senior company by the junior company. It seems to me that, in the interest of the policyholders, that is not a provision which can be accepted. Moreover, the House is aware, that so far as the young companies are concerned, the amount of their deposit has been reduced by one half during the period of the war and for one year thereafter. That is a remedy that has been given to them in these hard times, and I do not think that consistently with the interest of the policyholders I can accept this amendment.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That in clause 23 of the Bill, part (c) of the proposed proviso be omitted."

The motion was negatived.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That clause 23 stand part of the Bill."

The motion was adopted.

Clause 23 was added to the Bill.

Clauses 24 and 25 were added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That clause 26 stand part of the Bill."

Mr. T. Chapman-Mortimer: Sir, I move

"That in sub-clause (b) of clause 26 of the Bill, in the proposed proviso, for the word 'and' the word 'or' be substituted."

Sir, this is a purely drafting amendment. When the Bill was originally amended in the Select Committee the words "and its re-assignment in repayment of the loan" were inserted. Unfortunately, owing to a mistake the word "and" was used, in fact it should have been "or", for this very important reason that a loan might not be repaid and in fact it might be outstanding when the policy matured. In such a case, therefore, there would be no question of re-assignment. I hope the Honourable the Commerce Member will see his way to accept this amendment.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved:

"That in sub-clause (b) of clause 26 of the Bill, in the proposed proviso, for the word 'and' the word 'or' be substituted."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I accept the amendment.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That in sub-clause (b) of clause 26 of the Bill, in the proposed proviso, for the word 'and' the word 'or' be substituted."

The motion was adopted.

Mr. President (The Honourable Sir Abdur Rahim) The question is:

"That clause 26, as amended, stand part of the Bill."

The motion was adopted.

Clause 26, as amended, was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) The question is "That clause 27 stand part of the Bill."

Mr. Amarendra Nath Chattopadhyaya: Sir, I move

"That in sub clause (a) (ii) of clause 27 of the Bill, for the words 'satisfies the prescribed conditions establishing that he is a *bona fide* insurance agent employed by the insurer' the words 'has secured three policies on three different lives' be substituted."

These are only two or three words which I wish to add in this sub clause, and I hope the Honourable the Commerce Member will accept this suggestion of mine.

• **Mr. President** (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub clause (a) (ii) of clause 27 of the Bill, for the words 'satisfies the prescribed conditions establishing that he is a *bona fide* insurance agent employed by the insurer' the words 'has secured three policies on three different lives' be substituted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The House knows that in the Select Committee this question of 1 P.M. a *bona fide* agent was discussed, and it is pointed out in the report that Government are prepared to consider only one test of a *bona fide* agent, that is, an agent who has insured six lives in addition to his own. Now, my Honourable friend suggests that three lives should be sufficient. My difficulty is this. I do not know whether we shall not be doing an injustice to the agents themselves by accepting this provision. A very big assured may easily get two or three other small lives insured for a small premium and then get the benefit of all that rebate for himself, and we shall, therefore be doing an injustice to the agents proper. It is for that reason that we have fixed six lives exclusive of their own. We might be doing really an injustice to the agents and depriving them of their legitimate commission if we were to merely fix it at three lives.

Mr. Amarendra Nath Chattopadhyaya: You are thinking of licensed insurers

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I am thinking of policy-holders who wanted to get the rebates for themselves and thereby depriving the agents of their legitimate commission. If a man wants to insure for Rs 100,000, he may get three of his servants insured for a thousand rupees and he will get a very handsome rebate, on his own life and this would deprive the legitimate agent of his earnings.

An Honourable Member: But rebates are not allowed

Mr. T. Chapman-Mortimer: I entirely believe what the Honourable the Commerce Member has said and I also oppose this amendment, but I should be glad if he would clarify one point which is rather troubling me at the moment. I am appointed, say, as an agent. When I am so appointed, I obviously cannot have brought in or introduced any business prior to that, and it does trouble me a little to know how exactly an insurer will stand if he pays to me the commission on, say, the life of my Honourable friend, the Leader of another Party. I get this perfectly *bona fide* business, I introduced it. It is a small point, but it is one of those little things that may be perfectly clear to those who drafted the Bill and also to the legal pundits, but it certainly seems to me a little difficult to understand what the position will be in such a case.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I think the position is quite plain. Suppose I start life as an agent of an insurance company. If I want to insure my own life and get rebate on that, I shall not be entitled to that rebate, or I ought not to insure my own life until I have done six lives. When I have done that, when I have insured six lives, then on my own life insurance I get a rebate. That is prohibited by the section as it stands. This is to enable the agent to get the rebate. The rebate is not only on the first premium but is a continuing rebate on all renewals also, so that the agent will get the benefit of it so far as renewal of premium are concerned even if he has insured before he has done six other lives.

Mr. President (The Honourable Sir Abdur Rahim) The question is . . . That in sub clause (a) (ii) of clause 27 of the Bill, for the words 'satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer' the words 'has secured three policies on three different lives' be substituted."

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is "That clause 27 stand part of the Bill"

The motion was adopted

Clause 27 was added to the Bill

Mr. President (The Honourable Sir Abdur Rahim) The question is . . . "That clause 28 stand part of the Bill"

Mr. Amarendra Nath Chattopadhyaya: I move

"That sub clause (a) of clause 28 of the Bill be omitted"

Sub-clause (a) of the clause runs as follows

"In sub-section (1), for the words 'one rupee' the words 'three rupees' and for the words 'making an application under this section' the words 'making an application in the prescribed manner' shall be substituted"

I strongly object, and I have been objecting all the time to the enhancement of the license fee, and this sub-clause of clause 28 enhances the fee to three rupees from one rupee. The agents have to work very hard, and the section originally said that the fee ought to be one rupee but because the Government want to have some money for running the department they want to fleece everybody. They began with registration and renewal, and they are levying even on the poor agents for whom the Honourable the Commerce Member has sympathy. I, therefore, submit that this sub-clause enhancing the amount to three rupees should be omitted and that one rupee should be maintained. With these words, I move the amendment

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved
"That sub clause (a) of clause 28 of the Bill be omitted"

Dr. P. N. Banerjea: I support this amendment and I do so on two grounds. In the first place, this clause of the Bill seeks to tax the poor. The agents are generally poor men although there may be a very few among the agents who are rich or well to do. Now, it is very undesirable to place any burden on the poor. When the Honourable the Commerce Member said that it was his object to get money and that it was solely for that purpose that he introduced the registration renewal fee I did not oppose it although I suggested a slight reduction in the rate. I sought

to reduce the maximum from Rs 1,000 to 500. It was perhaps right to levy an annual fee on insurance companies. But it is not right to increase the taxation on the poor by 200 per cent. My second ground is that this matter was discussed at great length when the Bill was passed in 1937. The original intention of the Government was to fix the licence fee at Rs 3. Amendments were moved and I remember one of the amendments was carried,—I do not exactly remember whether Sir Nripendra Sircar accepted the amendment or it was carried in spite of his opposition. Here was a decision of the Assembly taken after full discussion about four years ago, and shall we go back upon this decision? I do not think we should. I, therefore, strongly support this amendment.

Mr. M. S. Aney: As this sub-clause seeks to go back to the original intention which the Government had, namely, of imposing a fee Rs 3, in contravention of what the House has decided when the Bill was passed, I think Government ought to make out a proper case before they can ask us to sanction this enhancement to Rs 3 from one rupee. I want to know from the Honourable Member what are the circumstances which have come to his notice during the administration of the Act, which make it necessary for him to demand this increase? What are those circumstances, or does he think that this is also a new source of income with which he should help his Honourable Colleague sitting on his left? If he wants to help him there are other sources of income which he can tap and which he has already tapped. This enhancement of the fee will go to create a very undesirable situation and the poor men will suffer for nothing. I fear the opportunities which these men have for getting some kind of employment by applying for this licence are being reduced by the Honourable Member for nothing and he is giving them no compensation in return. My second objection is this. In section 42 as it is, it is only an application that is necessary. Here my friend says 'application in the prescribed manner'. That thing has come again. When there is mention of an application in the prescribed form, it means a technical affair. If there is any slight mistake here and there, on that ground the application may be rejected. Therefore, I think there is absolutely no necessity why the original wording should be changed, unless it is idea of the Superintendent that he must have some power to reject the applications on some technical ground or another. At least the change that is proposed to be made is not backed up by any reasons as would commend themselves to this House. For these two reasons I support the amendment which has been moved by Mr Amarendra Nath Chattopadhyaya. There should be no more taxation.

Mr. Akhil Chandra Datta: I support this amendment. If we analyse the whole thing, what are these agents? I should like to describe them in this way. They are labourers.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I think they will resent it. I have reason to know it.

Mr. Akhil Chandra Datta: I know they will reject the word but in substance they are labourers, field workers.

An Honourable Member: They call themselves field workers.

Mr. Akhil Chandra Datta: That is the word that is usually used with regard to these agents but without going into the propriety of the word, in substance they are workers. What is the principle of taxing these people? They bring business. They contribute to the success of the industry. Do you tax the worker in other industries? Then why do you single out this particular class of workers for taxing them? Now, you require a licence to be taken out by an agent. Is the whole object to raise some revenue only? Now, Sir, the position is this. The Honourable the Commerce Member complains piteously that the work of the Department is increasing and that they cannot cope with the work with the existing staff. He says 'we require a larger staff' and he also wants more money for running the Department. Then, Sir, he says 'I had knocked at the door of the Finance Member and he would not give me any money'. Now, having got a refusal there, he is now knocking at the door of the agents for a slight increase of the licence fees. That is the position. I do not think that the anxiety to raise revenue should go that length. I support the amendment.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I said that a certain portion of the money is required for carrying on the work of the Department, and the scheme provides that part of it should be found from the agents and part of it from the life insurance companies, and that is the reason why this amount has been raised from one rupee to three rupees.

An Honourable Member: Three times?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It looks very high in percentages, but I may say, this proposition was put before the Agents' representatives. I do not claim to have their approval for it, but I think it is not so unfair as is suggested in this House. The agents, I must say, are not in the position of labourers. They call themselves field workers. That is a technical term given to those working in the field where lives can be insured. I do not want to make comparisons with other kinds of municipal and other taxes that are levied. What does a peon pay for a licence for a cycle in a municipality per year? What does a chauffeur pay for renewing his driving licence? Surely the agents are not either so badly off and are not in that position either. It seems to me that we are carrying our sympathy a great deal too far in suggesting that Rs 3 will be a very serious hardship to them.

My Honourable friend asked what was the reason for revising the decision of this House? At that time I find that my Honourable predecessor, Sir Nripendra Nath Sircar, said that he was not in a position to fix the rate of fee, as to whether it should be Rs 2, or Rs 2-8-0, or Rs 1-8-0, or Rs 3. He said

"We have no means of knowing what it will cost the Department, but we have no desire to make profit out of the Department."

A non-official gentleman, whose name has been constantly referred to in this House, Mr. Sri Prakasa, on the other hand, laid down the proposition that the Department should be self-supporting. I said the other day that I am not prepared to go even as far as that. At the present time, we do think that the necessities of the Department are such that we require money. One of the difficulties at the time when Sir Nripendra Nath-

Sircar was dealing with the subject was that they did not know what the number of agents would be, and they were unable to calculate what amount they would get by way of licence fees. The expectations at that time were that the figures would be anything between a lakh and a quarter to a lakh and fifty thousand. The number of agents all over India is only 50,000, whereas, at that time, it was anticipated that on the rupee basis we might get anything between a lakh and a lakh and a half.

Secondly, as I have already explained, the expenditure of the Department is more than was anticipated at that time. On these two grounds, we feel that these amounts should be fixed as in the amending Bill. I may repeat what I have already said, that it is not the desire of the Department to make any profit or to get this money handed over to the general revenues, and, therefore, while Rs 3 has been fixed in the Act, it may be possible, to start with this year, when the Government prescribe by rule, not to go to the unit of Rs 3, but propose a slightly lower sum, Rs 3 being the maximum amount. Under those circumstances, I regret I am unable to accept this amendment.

Mr. President (The Honourable Sir Abdur Rahim) The question is "That sub-clause (a) of clause 28 of the Bill be omitted."

The motion was negatived.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr Akhil Chandra Datta) in the Chair.

Dr. F. X. DeSouza: Mr. Deputy President, I beg to move

"That sub clause (a) of clause 28 of the Bill be omitted"

"That agents holding a license of any of the Indian States be exempted from taking a license in British India"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: On a point of order, Sir, this is not within the scope of the amending Bill at all.

Mr. Deputy President (Mr Akhil Chandra Datta) The latter portion is not in order, and the first portion is outside the scope of the Bill.

Dr. F. X. DeSouza: Sir, I will then move the first portion . . .

Mr. Deputy President (Mr Akhil Chandra Datta). No, one portion is out of order and another portion deals with a question which has already been decided, and, therefore, this cannot be moved.

Mr. Amarendra Nath Chattopadhyaya: Sir, I beg to move

"That in sub-clause (a) of clause 28 of the Bill, for the words 'three rupees' the words 'two rupees' be substituted."

Sir, having heard from the Honourable the Commerce Member that he meant it to be the maximum, I hope and believe that he will accept this amendment of mine requesting him to agree to substitute for the words-

[Mr Amarendra Nath Chattopadhyaya]

"three rupees" the words "two rupees" Sir, my point is with regard to the difficulties which this additional license fee will create amongst the agents, and as he has given us a hope that immediately he was not going to have three rupees from them I hope he will be pleased to accept this amendment of mine making it two rupees in substitution for three rupees I hope he will accept this amendment

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in sub-clause (a) of clause 28 of the Bill, for the words 'three rupees' the words 'two rupees' be substituted "

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I am afraid I cannot accept this amendment I have already said that it is very probable that the full amount of three rupees may not be levied, but it is not desirable that the limit should be two rupees

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That in sub-clause (a) of clause 28 of the Bill, for the words 'three rupees' the words 'three rupees' be omitted "

The motion was negatived

Mr. Amarendra Nath Chattopadhyaya: Sir I move

"That in sub clause (a) of clause 28 of the Bill, all the words occurring after the words 'three rupees' be omitted "

Sir, sub-section (1) runs thus

"The Superintendent of Insurance or an officer authorised by him in this behalf shall in the prescribed manner and on payment of the prescribed fee which shall not be more than one rupee, issue to any individual making an application under this section a license to act as an insurance agent .."

Sir, it is only creating a further complexity and nothing else An application should I think be sufficient—why you should have the words "in the prescribed manner", I cannot understand I would therefore request the omission of these words I think, Sir, that they are absolutely superfluous and not required I hope my Honourable friend will accept the motion

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in sub clause (a) of clause 28 of the Bill, all the words occurring after the words 'three rupees' be omitted "

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, agents resort to all sorts of forms which it is very difficult for the Insurance Department even to understand We propose to prescribe a simple form which the agents may accept and they may then fill in the details, and that is the only reason why this "prescribed" manner has been provided for

Mr. Amarendra Nath Chattopadhyaya: This had not been prescribed before?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That in sub-clause (a) of clause 28 of the Bill, all the words occurring after the words 'three rupees' be omitted"

The motion was negatived

Mr. Amarendra Nath Chattopadhyaya: Sir, I beg to move
"That sub-clause (b) of clause 28 of the Bill be omitted"

Sub-clause (b) runs thus

"the prescribed fee which shall not be more than three rupees, and an additional fee of a prescribed amount not exceeding one rupee by way of penalty if the application for renewal of the license does not reach the issuing authority before the date on which the license ceases to remain in force"

Sir, this is a penalty clause, in addition to three rupees, one will have to pay one rupee more for not putting one's application in the prescribed manner and within prescribed time. This Bill is practically, therefore, a punitive Bill, there is penalty after penalty. This it is really extremely difficult for us to support in any way. It is clear that such a sort of penalty should not be levied on those who are working under a very difficult situation, I mean the agents, having at the same time to pay more license fees. I think this penalty clause should be removed and I hope the Honourable Member will be amenable to this reasonable amendment.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That sub-clause (b) of clause 28 of the Bill be omitted"

The motion was negatived

Mr. Amarendra Nath Chattopadhyaya. Sir, I move

"That in sub-clause (c) of clause 28 of the Bill, in the proposed proviso in part (i) (b), for the word 'may' occurring in the fifth line, the words 'shall ordinarily' be substituted"

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in sub-clause (c) of clause 28 of the Bill, in the proposed proviso in part (i) (b), for the word 'may', occurring in the fifth line, the words 'shall ordinarily' be substituted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I accept the amendment

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That in sub-clause (c) of clause 28 of the Bill, in the proposed proviso in part (i) (b), for the word 'may' occurring in the fifth line, the words 'shall ordinarily' be substituted"

The motion was adopted

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That clause 28, as amended, stand part of the Bill"

The motion was adopted

Clause 28, as amended, was added to the Bill

Clauses 29 and 30 were added to the Bill.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That clause 31 stand part of the Bill"

Mr. Amarendra Nath Chattopadhyaya: Sir, I move:

"That sub-clause (a) of clause 31 of the Bill be omitted"

Sub-clause (a) of clause 31 runs as follows

"for the words 'was on a material matter and fraudulently made' the words 'was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made' shall be substituted, and after the words 'that the statement was false' the words 'or that it suppressed facts which it was material to disclose' shall be added."

I do not understand why this sub-clause has been added to clause 31. In order to understand the significance of this amendment I will read out section 45 of the Insurance Act, which runs thus

"No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall, after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter and fraudulently made by the policy holder and that the policy holder knew at the time of making it that the statement was false."

This section was clear as to the time, which was two years. Now, Sir, the amendment of section 45 reads thus (I have already read out the first part of it)

"(h) the following proviso shall be added, namely

'Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal'

This is an absurd proposition. If a man insures his life at the age of 25 for an endowment policy and if it is found out when he is 38 years of age that he made a false statement with regard to his age, the Superintendent of Insurance can say that he is not going to respect his policy. The object of section 45 was that two years should be enough for an insurer to know all about the statements made by the policy-holder or his agent or his doctor or his friends. In the case I have mentioned, it will be a conspiracy to defraud the company at the start and everybody will be in the conspiracy. If the policyholder has been trusted by the insurer, why should there be an amendment to this section? It is an absurd proposition to say that so long as the policy is not respected at the time of maturity, the insurer will not have any difficulty to say that he made a false statement on the statement of somebody else. This statement is so absurd that I hope it will not be allowed to go on the Statute book. Therefore, I commend this amendment for the favourable consideration of the House and I trust that it will be accepted by the Government.

Sir, I move

Mr. Deputy President (Mr Akhil Chandra Datta): Amendment moved

"That sub-clause (a) of clause 31 of the Bill be omitted"

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Mr Deputy President this Insurance Bill is indeed like a jigsaw puzzle, and I shall tell the House why. This particular amendment has been put forward at the instance of the Insurance Companies. The Superintendent

of Insurance, who is supposed to invite all sorts of powers to himself, was against this proposal. As a matter of fact, I had to hear both sides, and, as I said, at one stage I acted as an arbitrator, and my award on this occasion came on the side of the Insurance Companies, because I felt that they had some grievance in the matter. In this country the proof of age is a very difficult matter. Even the educated people do not know exactly their own age. When a policyholder insures his life and gives an age, and if, after two years, the Insurance Company is precluded from questioning it altogether, whatever the reasons for questioning it, it was represented to me that it was a great hardship on the Insurance Companies. Moreover, the Honourable Member will find that failure to reveal a certain fact which is referred to in section 45 was not a ground for calling a policy in question, but the Honourable Member is surely aware that an omission of a certain fact makes fraud much easier with consequent damage to the interest of the honest policyholder. Under these circumstances, I felt that certain latitude should be given, and that if certain facts are proved, these two years should not be an absolute bar to influence companies to re-open this question. As I said, the balance of advantage as between the policyholders and the Insurance Companies has to be taken into consideration, and on this matter I felt that the original section was a real hardship to Insurance Companies. That is the sole reason why I was prepared to accept this particular clause.

MR. M. S. ANEY: Sir, I am sorry I cannot agree with the award which my Honourable friend has given in deciding the dispute that was referred to him. I would certainly not have chosen him as my arbitrator at all had the choice rested with me. The thing is this. If this amendment is allowed to go, all that we succeeded in doing when this Bill was passed is completely washed away and we are reduced to the same original position of confusion against which we had to protest and we fought so bitterly and brought about the change in the Act. In my opinion it opens the floodgates of litigation in almost every possible case where an insurance company may find it difficult to meet the claims of the man for one reason or another and the main object in bringing about this amendment at that time was to prevent this kind of delay as a consequence of litigation on the part of the insuring company to meet the claims which were really due at the proper time. The element that is now being added is not that if there is any material irregularity or misstatement of material fact, but what is considered suppressed facts. Well, Sir, 'suppressed facts' open a very wide field. We do not know exactly what are those suppressed facts which will be considered as material for the purpose or which will be considered as his duty to disclose. All the various items which an insured person is called upon to fill are certainly items on which he is expected to give true information of and if there is going to be any misapprehension with regard to these items which are mentioned in that form, and every one of them, on which for one reason or another the company may be in a position to take exception after two years, will be considered as one on which information was suppressed and which they may also hold it was necessary for them to disclose. I do not think where the line of distinction or demarcation it will be possible for the court or anybody else to draw. The original section made it perfectly clear that certain material facts had been already excluded from the operation, as regards other mis-statements, the duty was thrown upon the insurance company to satisfy itself and find out the truth within the period of two years. They have got

[Mr M S Aney]

the machinery, they have got their medical examiners, they have got every other facility with which to satisfy themselves as regards accuracy of the information on which the policy was sanctioned by them. If within that period they had failed to do anything, then they have to suffer for their laches, and there is absolutely no equity whatsoever in their favour. If the arbitrator was swayed away by consideration of equity, they are in my opinion inequitable. That is all I have to say in support of the amendment moved by my Honourable friend, Mr Amarendra Nath Chattopadhyaya

Dr. P. N. Banerjee: Sir, the leader of my Party, Mr Aney, the 3rd most eminent lawyer that he is, has argued this point fully. Now Sir, the Honourable the Commerce Member has said that he was looking at the question from the point of view of the insurance companies, and that this amendment was brought forward at their suggestion. We, on this side of the House, took up the position that justice should be done to all the interests involved, particularly we should look to the interests of the policy-holder, because of all the parties concerned, the policy-holder is the weakest party. Therefore, in this case, I would support the interests of the policy-holder and, if necessary, oppose the interest of the insurance company. I request the Honourable the Commerce Member to look at the question from this angle of vision, namely, the point of view of the policy-holder, and when there is a dispute between the company and the policy-holder, and if the policy-holder's attitude is justified, it is his duty to support the policy-holder.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is—

"That sub-clause (a) of clause 31 of the Bill be omitted"

The Assembly divided

AYES—16

Abdul Ghani, Maulvi Muhammad
Aney, Mr M S
Azhar Ali, Mr Muhammad
Banerjee, Dr P N
Chattopadhyaya, Mr Amarendra Nath
Das, Pandit Nilakantha
Deshmukh, Mr Govind V
Fazl-i-Haq Piracha, Khan Bahadur
Shaikh

Ghusasuddin, Mr M
Ghulam Bhik Naarrang, Syed
Mehta, Mr Jamnadas M
Muhammad Ahmad Kazmi, Qazi
Murtaza Sahib Bahadur, Maulvi, Syed.
Parma Nand, Bhai
Siddique Ali Khan, Nawab
Zafar Ali Khan, Maulana

NOES—30

Abdul Hamid, Khan Sahib Shaikh
Ahmad Nawaz Khan, Major Nawab
Sir Bewoor, Sir Gurunath
Caroe, Mr O K
Chapman-Mortimer, Mr T
Clow, The Honourable Sir Andrew
Dalal, Dr R D
Dalip Singh, Sardar Bahadur Captain
DeSouza, Dr F X
Gopalaswami, Mr R A
Ibrahimullah, Mr Muhammad
Ismail Ali Khan, Kunwar Hajee
Kamaluddin Ahmed, Shams-ul-Ulema
Kushal Singh, Raja Bahadur
Maxwell, The Honourable Sir Reginald

Mazharul Islam, Maulvi
Miller, Mr C C
Muazzam Sahib Bahadur, Mr.
Muhammad
Mudaliar, The Honourable Diwan
Bahadur Sir A Ramaswami
Mukharji, Mr Basanta Kumar.
Oulanam, Mr S H Y
Pillay, Mr T S S
Rahman, Lieut-Colonel M. A
Scott, Mr J Ramsay
Sivars, Rao Sahib N
Spence, Sir George
Staig, Mr B M
Thakur Singh, Captain
Thomas, Mr J H
Tyson, Mr J D

The motion was negatived.

Mr. Amarendra Nath Chattopadhyaya: Sir, I beg to move.

"That sub-clause (b) of clause 31 of the Bill be omitted"

Sub-clause (b) insert the following proviso in section 45

"Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal"

I have already spoken on the absurdity of this clause. The insurer can at any time call for proof of age of any policy-holder. I cannot imagine the miserable condition of the policy-holder that he may be questioned at any time about the age which he had mentioned when he took out the policy, and there is no time limit. I do not know why the Commerce Member introduced such an absurd proposition. A man might have taken out a policy at the age of 20 but after paying premium for 30 years when the policy has matured and he expects to get the insurance money, having paid premium for all these years, his age may be challenged as incorrect. The case of the policy-holders has been absolutely ruined by this clause. Sir, the Commerce Member said that he was an arbitrator between the policy-holders and the insurers.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: So far as this clause is concerned, it is the Select Committee that was the arbitrator, not I.

Mr. Amarendra Nath Chattopadhyaya: In that case there should be a censure on the Select Committee. It is an awfully absurd proposition and I am really astonished that the Select Committee, among whom we find the name of Sir Cowasji Jehangir who is an expert in insurance, introduced this provision with a view to protect the insurers against the policy-holders. It is the policy-holders who create insurance business and help the insurers to get fat salaries and bonuses. And to protect the insurers such an absurd clause has been introduced that no sane man can accept it and I am sure the Commerce Member will not accept it. Neither from the point of view of common sense nor from the point of view of a sense of justice can this be supported. Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta): Amendment moved

"That sub-clause (b) of clause 31 of the Bill be omitted"

Mr. M. S. Aney: Sir, may I ask a question? The clause says, "Provided that nothing in this section shall prevent an insurer from calling for proof of age at any time if he is entitled to do so". What is the meaning of these last words, "if he is entitled to do so"? I hope the Honourable Member will explain this.

Mr. T. Chapman-Mortimer: Sir, I think there has been some misapprehension about this amendment as there has been in the case of others. As the Honourable the Commerce Member has pointed out, it is a very complicated Bill and it is not always very easy to understand exactly the implication of a few simple words like "and" or "or" in an amendment. But, briefly, the position is this. As I understand it, the Honourable the Mover of this motion has talked as though there were no safeguards at all for the insured persons. Of course that is entirely incorrect. I shall not weary the House by reading section 45 of the Act because it is a very long section, but if Honourable Members who have a copy by them will turn

[Mr T. Chapman-Mortimer]

to that section they will see that, briefly, a policy cannot be called in question on the ground of mis-statement after two years. That is the law as it stands, but it is perfectly obvious that a mis-statement can be of two kinds. It can be a *bona-fide* mis-statement because either the medical officer or the insured person made a mistake in filling up the form or it can be a mistake in which the mistake was deliberate, and it is in order to deal with that latter class of case that this sub-clause (b) of clause 31 is now proposed to be inserted

"Provided that nothing in this section shall prevent an insurer from calling for proof of age at any time, if he is entitled to do so"

I would emphasise these last words and repeat them, "if he is entitled to do so". He is not entitled in certain cases which are laid down and he must have a legal case under his ordinary insurance policy forms. If he has not got that case he cannot call for proof of age at any time, he must comply strictly with the terms of section 45. But we do know that there is a class of person, unfortunately, who for the sake of getting a cheap insurance make certain statements which are not correct statements in regard to his age. He knows perfectly well that they are not correct nobody else is in a position to challenge him at that time. Later on it may very well be that certain facts come to the notice of the insurer, and he then knows, that Mr A had made a false statement. In that case he would be entitled,—provided in other respects also he is entitled,—to call for proof of age, and then the assured would have to pay, as he ought to pay, the proper premium which would have been imposed upon him had he correctly given his age when he took out the policy. It is simply to deal with that class of case that this proviso was drafted and, as Honourable Members will see, amended in Select Committee and amended in such a way as to protect to the full the honest assured. It will not protect the dishonest one, but who wants to protect him? I suggest not my Honourable friend the Mover of this amendment—at least I hope not Sir, I oppose the amendment

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, my Honourable friend, Mr Aney, wanted to know what the meaning of the phrase is—"if he is entitled to do so". That, I feel, Mr Chapman-Mortimer has not explained. There are certain life insurance companies which in their policy state that age must be proved before the policy comes into effect. That is, by their policy they are entitled to ask for proof of age. Therefore, they can ask for proof of age, and if the proof of age shows that the age is something other than what the assured said at that time, they are entitled to readjust their policy according to the age that is proved. That is why this amendment was moved in Select Committee.

Mr. Amarendra Nath Chattopadhyaya: Is it not a fact that proof of age must be given before the policy can be issued?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: It is unnecessary to prove the age

Mr. Govind V. Deshmukh (Nagpur Division Non-Muhammadan). May I know why the amendment of the Select Committee was not put in the explicit words as has been suggested by my friend, Mr. Chapman-

Mortimer, instead of leaving it like this that is vague? My friend suggested that it is only the case of deliberate mis-statement of age that is meant to be covered. Then why not put in those specific words "in case of deliberate mis-statement of age"?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudahar: Deliberate or otherwise—I think Mr Chapman-Mortimer said It may not be deliberate, but still it is a mis-statement of age and proof of age has to be secured. If the company is entitled to ask for proof of age in its policy, where it says that the policy is not effective till age has been proved, it can do so many British and Indian companies do so in their policy, that until proof of age is produced the policy will not be effective, and then that proof of age has to be produced and insurance companies will not be precluded from asking for proof of age.

Mr. T. Chapman-Mortimer: If you will permit me, Sir, to add a word, it is simply this that if in the case of a policy where it is laid down very clearly and specifically that they are entitled to call for proof of age and that they will not pay till they have had that proof of age, this amendment which is now being proposed is not to the interest of the insurer nearly so much as it is to the interest of the assured, or rather, I should say, of his heirs and successors or assignees as the case may be. It is *they* who are going to be benefited by this much more than the insurer, because the insurer will say "I want to be satisfied. The man is dead and you must find proof of age and you must call his widow or children or others who can supply proof."

Mr. M. S. Aney: Suppose they do not get any one to supply proof, what is it you want to suggest? You do not solve the real difficulty. Suppose they fail to get proof after the death of this man and this company insists upon it, what is going to happen?

Mr. T. Chapman-Mortimer: The point is that the company, under the law as it will stand if this amendment goes, will be in a position to insist upon proof of age during the lifetime of the assured himself or herself, and within his lifetime.

Mr. Govind V. Deshmukh: Put down those words there your words are very vague

Mr. T. Chapman-Mortimer: The words are, I think, very clear, they may seem a little vague, but in fact they are correct

Mr. Deputy President (Mr Akhil Chandra Datta) The Honourable Member cannot make a third speech.

Mr. Govind V. Deshmukh: Sir, I support the amendment of my friend Mr Chattopadhyaya. I have gathered from the explanation that it was really the case of deliberate misstatement about age which was intended to be dealt with; but I have pointed out that there could have been in this section a specific mention about this fact that if there is a deliberate misstatement of age then the company is entitled to call for proof from the other side or the policy may be impeached on that

[Mr. Govind V. Deshmukh.]

ground. But as it has transpired after this discussion, it is meant to cover other cases also. The question of the proof of age is a very difficult one. It was really the intention the last time when this clause was included, that after a particular period the policy should not be challenged it was with the idea of safeguarding the policyholders who are mostly illiterates. If a company wishes to challenge a policy, it should be during the lifetime of the assured that the policy should be challenged, it would then be for the man to provide proof of age. He has to undergo all that trouble. But if he dies, who is to come forward to prove his age, who is to go all over the place to get proof of his age? If a company wants any proof of age and see that they do not suffer by any false or deliberate misstatement of age, then it is their business to go round and see that the proper correct statement of age is made. They should not be in a hurry to accept any policy or increase their business merely on the ground that they are getting so much business—saying, never mind what happens now we can challenge this policy afterwards. They should be very particular from the beginning, if they wish to secure business, they should not secure business by any means and afterwards seek to profit by the hurry or through the greed of the canvassing agent or other persons and turn round and say to the widow or the small children that the policy was not a correct policy and they challenge the policy and ask them to produce evidence of age, and say there was a deliberate misstatement of age. I submit this amending Bill takes away the right which was granted last time to protect the policyholders who are illiterates. India is not England, and we must take into consideration that 999 policyholders out of 1,000 or their widows who survive them are illiterates they know nothing about this business at all. So, in order that the policyholders should not suffer, a heavy burden should be thrown upon these insurers who want to secure business, that they must from the very beginning secure proof of age, and it should be taken for granted, the moment a policyholder's policy is accepted and the period, according to the old Bill, of two years elapses, that there is a correct statement of age.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That sub-clause (b) of clause 31 of the Bill be omitted."

The motion was negatived.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That clause 31 stand part of the Bill."

The motion was adopted.

Clause 31 was added to the Bill.

Clause 32 was added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is:

"That clause 33 stand part of the Bill."

Mr. T. Chapman-Mortimer: Sir, I move:

"That in sub-clause (b) of clause 33 of the Bill, in the proposed sub-section (2), for the word 'three' the word 'six' be substituted."

I think, Sir, it will help Honourable Members to appreciate the point of this amendment if I call their attention briefly to section 48 of the Act. That section provides that a certain proportion,—25 per cent. of the Board of insurer which is incorporated as an Indian company,—should be persons representing the policyholders, that is to say, one fourth of the Board will represent the policyholders. Now, Sir, in the Bill as proposed, the time limit within which notice must be given is three months, but the admission cards and proxies for the meeting have to be arranged for some time before, and it is very essential to prevent people, who have not really got any right to attend, from coming in simply because the company has not been able, in the time at their disposal, to make absolutely certain that only policy-holders have received the cards of admission and proxies. Naturally, in the case of small insurers, the question does not arise to the same extent, because they will have a smaller number of policyholders, and they will probably be scattered over the area, say in a province like Bengal. But if you take the case of an insurer, such as the Oriental Life Insurance Company or any other company comparable to that or even quarter of that size, their position might be extremely difficult. What we suggest here is that instead of giving only three months as the qualifying period, you should have six months. That would not altogether get rid of the danger by any means. The danger will still be there of persons who may be able to attend and vote because nobody would be able to check up the lists. But although the danger will not be eliminated by the acceptance of this amendment, I think it will be considerably minimised. I, therefore, commend this amendment to the support of the House and the acceptance of Government.

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved:

"That in sub-clause (b) of clause 33 of the Bill, in the proposed sub-section (8), for the word 'three' the word 'six' be substituted."

Dr. P. N. Banerjea: Sir, this amendment seems to me to be a very reasonable one, and I support it.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, as the main Parties in the House have accepted this amendment, I dare not oppose it.

Mr. Deputy President (Mr Akhil Chandra Datta): The question is:

"That in sub-clause (b) of clause 33 of the Bill, in the proposed sub-section (8), for the word 'three' the word 'six' be substituted."

The motion was adopted.

Mr. T. Chapman-Mortimer: Sir, I move:

"That in sub-clause (b) of clause 33 of the Bill, to the proposed sub-section (8) the following proviso be added

'Provided that the assignment of a policy to the person who took out the policy shall not disqualify that person for being eligible for election as a director under sub-section (1)' "

Sir, there is a printing error here,—the word "for" should be "from". It will then read ".....that person from being eligible for election as a director under sub-section (1)". This is a very simple amendment, and I am perfectly certain that it will commend itself to

[Mr. T. Chapman-Mortimer.]

all sides of the House without any long speech from me. It is simply to ensure that in the matter of voting a person shall not be disqualified from the right of vote merely by reason of the fact that he has for the time being assigned his policy to some one from whom he has negotiated a loan, for example, either from a bank or from some one else. That is not the intention. The intention is that the policyholder who has taken out the policy should be entitled to vote in the election of directors. Sir, I move.

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved.

"That in sub clause (b) of clause 33 of the Bill, to the proposed sub-section (8) the following proviso be added

'Provided that the assignment of a policy to the person who took out the policy shall not disqualify that person from being eligible for election as a director under sub section (1)'."

Mr. M. S. Aney: Sir, I support the amendment, but I do not agree with the change that my friend has proposed. Grammatically or idiomatically the construction of the sentence, as it is in the Bill, is much better than the change now proposed. 'Shall not disqualify that person for being eligible' is as good as and much better than 'from being eligible'.

Mr. T. Chapman-Mortimer: If that is the feeling of Honourable Members whose knowledge of the English language is much better than my own, I bow to their decision. My only point is that we want more clarity in the words. If Government's own draftsman changed the word 'for' for the word 'from' purposely, then I apologise for my lack of understanding. I have no objection if the House accepts the wording as it is, provided the intention is made quite clear.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I accept the amendment. As regards the language, it has been carefully scrutinised, and I am given to understand,—I don't put myself forward as an authority on the English language,—I dare not,—but I am given to understand that this language is all right and is in the proper form.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That in sub clause (b) of clause 33 of the Bill, to the proposed sub-section (8) the following proviso be added,

'Provided that the assignment of a policy to the person who took out the policy shall not disqualify that person for being eligible for election as a director under sub section (1)'."

The motion was adopted.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is: "That clause 33, as amended, stand part of the Bill."

The motion was adopted.

Clause 33, as amended, was added to the Bill.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is: "That clause 34 stand part of the Bill."

Mr. T. Chapman-Mortimer: Sir, I move:

"That in clause 34 of the Bill, in the proviso to the proposed section 49, for the words 'to be adopted in any valuation in respect of which a return is made under section 15', the words 'adopted in the valuation disclosing the aforesaid surplus' be substituted."

As Honourable Members will appreciate, this is a very difficult technical clause to explain. But very briefly the position is this, that the wording of the Bill as it stands relates to calculation of the interest basis in *any valuation*. What, of course, is meant is the calculation in the *particular valuation* to which reference is made. I do not think I can make the point more clear than that, and I hope that it will be sufficient for me to press the Government to accept the amendment.

Mr. M. S. Aney: Do you want us to vote without understanding?

Mr. T. Chapman-Mortimer: I am not asking Honourable Members to vote without understanding the position. All I am saying is this, that it is a difficult amendment to argue. The point really is this, that you want to have a valuation basis in a *particular valuation* to be considered,—not in *any valuation*,—it may be a valuation of 1 year or 5 years,—you want to be sure it is the valuation for the year 1 or for the year 5 as the case may be. Sir, I move.

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in clause 34 of the Bill, in the proviso to the proposed section 49, for the words 'to be adopted in any valuation in respect of which a return is made under section 15', the words 'adopted in the valuation disclosing the aforesaid surplus' be substituted."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I accept the amendment.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That in clause 34 of the Bill, in the proviso to the proposed section 49, for the words 'to be adopted in any valuation in respect of which a return is made under section 15', the words 'adopted in the valuation disclosing the aforesaid surplus' be substituted."

The motion was adopted.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That clause 34, as amended, stand part of the Bill"

The motion was adopted.

Clause 34, as amended, was added to the Bill

Clauses 35, 36, 37 and 38 were added to the Bill

Mr. Deputy President (Mr Akhil Chandra Datta): The question is:
"That clause 39 stand part of the Bill"

Mr. Amarendra Nath Chattopadhyaya: I beg to move
"That part (iii) of sub-clause (a) of clause 39 of the Bill be omitted."

[Mr Amarendra Nath Chattopadhyaya]

This is an amendment of section 70 of the Act Part (iii) of sub-clause (a) of clause 39 runs as follows

"The word 'and' at the end of clause (c) shall be omitted, and after clause (d) the following word and clause shall be added, namely

'and

(e) the prescribed fee for registration being not more than two hundred rupees'"

I want to omit this portion altogether, though I do not think that I am going to get it omitted However, I move the amendment

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That part (iii) of sub clause (a) of clause 39 of the Bill be omitted "

The Honourable Diwan Bahadur Sir A Ramaswami Mudaliar: I regret very much that I am unable to accept this amendment The scheme of the Act is, so far as the levy of fees is concerned, to get a certain initial registration fee from new insurance companies and a similar fee from new provident societies The House has already passed the clause relating to the levy of registration of fee from new insurance companies Consistent with that, I trust that the House will now accept the provision for registration of new provident societies

Dr. P. N. Banerjee: Does it apply to co-operative societies also?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: No Only provident societies

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That part (iii) of sub clause (a) of clause 39 of the Bill be omitted "

The motion was negatived

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That clause 36 stand part of the Bill "

The motion was adopted

Clause 39 was added to the Bill

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That clause 40 stand part of the Bill "

Mr. Amarendra Nath Chattopadhyaya: I beg to move

"That clause 40 of the Bill be omitted."

With a view to running this Department, the Honourable the Commerce Member has become very greedy He won't allow anybody to escape his greed This is a new section added after section 70 Of course, the law, if it is to be made, is to be made for all We feel that if these licensing fees and registration fees are enhanced, it is very difficult for the new companies and small companies to go on That is my complaint all along My Honourable friend wants money, and he wants to whip the lame horse or milk the dry cow In the process many companies will collapse as an effect of this Bill Sir, I move

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved:
"That clause 40 of the Bill be omitted "

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I regret I cannot accept this amendment. The scheme of the Act is to have a renewal registration fee from insurance companies and provident societies, and I cannot make a distinction between one kind of insurance and another kind of insurance. With reference to the last remark of my Honourable friend, I am perfectly certain that he is over-painting a gloomy picture of the future of these companies, and I am entirely confident that this levy will not jeopardise their existence or continuance.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That clause 40 of the Bill be omitted "
The motion was negatived.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That clause 40 stand part of the Bill "
The motion was adopted.
Clause 40 was added to the Bill.
Clauses 41 to 60, both inclusive, were added to the Bill.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is
"That clause 61 stand part of the Bill "

Dr. P. N. Banerjea: I move

"That in sub-clause (a) of clause 61 of the Bill, in the second proviso to the proposed sub-section (1), for the words 'accepted in this behalf by the Superintendent of Insurance' the words 'approved by a qualified actuary' be substituted "

This refers to the acquisition of surrender values by policies and a power is given with regard to the formula to be adopted in this behalf. In the Bill it is proposed that the approval should be by the Superintendent of Insurance, but I say that this formula should be that it may be approved by an actuary. An actuary is well acquainted with these matters and he is the proper person to approve the formula. With these words, I move.

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved.

"That in sub-clause (a) of clause 61 of the Bill, in the second proviso to the proposed sub-section (1), for the words 'accepted in this behalf by the Superintendent of Insurance' the words 'approved by a qualified actuary' be substituted "

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, this is one of the clauses that were considered most carefully by the Select Committee. As Honourable Members will see, it has been amended very largely by the Select Committee and the position of the insurance companies was fully taken into consideration. I said earlier in reply to the debate when I asked the House to take this Bill into consideration, that clause 61 is a clause which is essentially framed for the benefit of the policyholders so that they may be quite aware of what their position is with reference to the surrender value of their policies. The clause, as

[Diwan Bahadur Sir A. Ramaswami Mudaliar] .

it stands, has made it easy for the insurance companies, without detailed calculations and printed bulky volumes illustrating the surrender value at various stages of various policies, which is the practice now so far as life insurance companies are concerned,—it has been made easy for the life insurance companies to devise a formula which may be acceptable. If we leave it to the different actuaries, it will mean that it will not be easy to judge whether the formula is sufficient, and whether it is framed in such a way that the policyholders can easily calculate for himself what the surrender value of his policy is. Different actuaries may have different ways of framing this formula, and it is considered necessary in the interests of the policyholders that the Superintendent of Insurance should be the person to judge of the propriety of the formula, and whether it is so framed as to enable the policyholder to calculate for himself the surrender value. The phrase "qualified actuary" will lead to difficulties. If it means fully qualified actuaries, it means Fellows, and if it means partially qualified actuaries, it means Associates. If it is fully qualified actuaries, there are half a dozen or seven or eight only, and the difficulty of every life insurance company going to a qualified actuary, and having his advice over this matter will be very great. On all these grounds, I am unable to accept the amendment.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is:

"That in sub-clause (a) of clause 61 of the Bill, in the second proviso to the proposed sub-section (7), for the words 'accepted in this behalf by the Superintendent of Insurance' the words 'approved by a qualified actuary' be substituted."

The motion was negatived.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is.

"That clause 61 stand part of the Bill."

The motion was adopted.

Clause 61 was added to the Bill.

Clauses 62 to 71, both inclusive, were added to the Bill.

The Schedule was added to the Bill.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is:

"That clause 2 stand part of the Bill."

Mr. Amarendra Nath Chattopadhyaya: Sir, I move

"That before the existing sub-clause (a) of clause 2 of the Bill, the following be inserted and the existing sub-clauses (a) and (b) be re-lettered as (b) and (c) respectively

'(a) to clause (3) the following shall be added at the end

'and buildings of the companies in large commercial towns including their Head Office buildings, railway shares where the principal or interest is guaranteed by the Provincial or Central Government, and debentures floated and secured on their revenues by District Municipalities and District Boards'."

The Honourable the Commerce Member has given us some idea about securities during the debate in the course of the day but I could not agree with him that only in the Presidency towns the buildings of the insurance companies may be accepted as securities in times to come. But Sir, the insurance companies have set up big buildings not only in Presidency towns but also they have their own houses in district towns.

where they carry on their business and when they have invested some money I do not know on what grounds these securities will not be accepted as securities by the Government. They have also purchased shares in railways and also debentures and also the loans given to the policyholders and why should not these securities be accepted as approved securities If these are not going to be accepted, then how can they invest at all These are their own assets and if these assets are not acceptable to Government as securities, then the insurance company will really go down and all these companies will be killed and, therefore, I beg to add this amendment to clause 2 that the buildings of the companies should be accepted at 50 per cent of the book value It is a very reasonable proposition There should be no question about including them as securities

At this time of terrible war when air raids are possible buildings may be insecure as securities But as a matter of fact, everything is insecure in this time of war It is a very trying time no doubt and at such a time these insurance companies should not be hit We should expect the Honourable the Commerce Member to take all these facts into consideration Sir, we have not been able to make him accept any of our many amendments which have undoubtedly seemed to be very reasonable to us He could not accept them because he was unable to do it He would have been able to appreciate our point of view had he been sitting on this side of the House instead of, on that side But while sitting on the other side, I understand his difficulties With regard to our interests in the insurance business, we have to take into consideration the real difficulties from which the insurance companies are suffering and those companies which have already invested their money in land and buildings will now be thrown out to suffer on account of the Government's way of assessing the securities or prescribing securities These companies will in consequence suffer a great deal and particularly nowadays If these small companies or the medium companies, if they have securities of the kind I have mentioned, they should be allowed to use their assets as securities and the assets are in the form of their buildings, shares, debentures and so on It is in this form that ordinarily the old companies have their assets Therefore I would ask the Honourable the Commerce Member to take these facts into consideration and I am sure he will allow these to be taken as securities If he is not able to accept my amendment presently, I trust he will give it his consideration and accept it later on It is a very reasonable and sensible amendment Sir, I move

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That before the existing sub-clause (a) of clause 2 of the Bill, the following be inserted and the existing sub-clauses (a) and (b) be re-lettered as (b) and (c) respectively

'(a) to clause (3) the following shall be added at the end

'and buildings of the companies in large commercial towns including their Head Office buildings, railway shares where the principal or interest is guaranteed by the Provincial or Central Government and debentures floated and secured on their revenues by District Municipalities and District Boards."

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I trust the House will excuse me if I pointed out that this must be known to all the Honourable Members of the House,—that there is no embargo-

[Diwan Bahadur Sir A. Ramaswami Mudaliar.]

on any insurance company having a head office building of its own in any place it likes, that there is no prohibition for investing a part of its funds in such head office buildings, that this definition of "approved securities" merely means that for the purposes of section 27, "to keep 55 per cent. of their assets in a certain manner", the value of a head office building shall not be taken into account for that purpose. Therefore, it would be giving a wrong impression altogether if one were to suggest that an insurance company cannot have part of its assets in the form of a head office building. I want to make that position perfectly clear. Secondly, my Honourable friend will, I trust, realise my difficulty in accepting the amendment. He speaks of head office buildings in large commercial towns. It is very difficult to define what a large commercial town means or is. Secondly, as I said, a positive distinction may be made between head office buildings in Presidency-towns or in some selected cities and head offices elsewhere. It was pointed out that the value of a head office building is the same anywhere, and that in any case the values can be based on the rental basis, which is exactly what is done with reference to buildings in Presidency-towns. But the difficulty is this. Whereas, in Presidency-towns, normally there is a demand for such buildings and a rental value can be assessed, it must be the experience of Honourable Members that there are huge buildings whose cost nobody can question, but which, from the point of view of rentals, may not yield any appreciable amount at all. It is well-known—I can give an instance of a famous town in my own Presidency where buildings worth Rs 10 lakhs or Rs 8 lakhs were constructed, in Chettinad, for example, but if anybody were to go and occupy them, the rental would be not something in relation to a building costing lakhs. Now, that is one of the difficulties in having this form of securities among the "approved securities". The building is there, it has cost so much, but what good will it be to the policyholder if, on the one hand, it cannot be sold to any other person—and there are buildings like that—and, on the other hand, it is not an investment in the sense that it can get a reasonable rental year after year without much difficulty.

Dr. F. X. DeSouza: For the sake of information, Sir, if an adequate return is guaranteed, is the Honourable Member prepared to consider, for instance, a head office in Bangalore?

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: The Honourable Member says, "if an adequate return is guaranteed", and gives an instance, one of the few exceptions, of a growing town where such a thing may be had. I think it is possible to make a distinction between one set of towns and another, but it is very difficult to make that distinction, and, therefore, I suggested in an earlier speech of mine that probably the category of Presidency-towns stands by itself, but even that has to be very carefully considered.

Mr. M. S. Aney: The Honourable Member said "and probably some selected towns"—that is what the Honourable Member said; now he is again modifying it.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: So far as the present stage is concerned, I am unable to accept any amendment with reference to Presidency-towns or otherwise.

Mr. M. S. Aney: We are asking what your future policy is.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: With reference to Presidency towns or other selected towns, it is possible that a more careful investigation and a more careful distinction may be drawn between Presidency-towns and a few other selected towns and "other places". When that investigation is made, and when that distinction is possible to be drawn, whether insurance companies would accept them, or whether the charge would be made that Government were trying to discriminate between one set of insurance companies and another, will also have to be considered. If, at that time, there is some amount of unanimity amongst insurance companies, young and old, then probably the Government may be in a position to consider at that time this extension of the definition of "approved securities" and it may be so made as to include head office buildings in Presidency-towns and in those very few selected towns which may come, more or less, by their ambition and status and other features, under the category of Presidency-towns, but at the present moment I am unable to accept this amendment.

Mr. M. S. Aney: Sir, I have no hope, and I do not want, that the amendment should be accepted, but as regards the statement the Honourable Member has made, there is much for us to consider. He imagines a position that it is possible to make a distinction between certain presidency towns and certain selected towns and "other towns" as regards the buildings of the insurance companies to be considered as assets or security. Now, on that point, while he was developing his argument on that point, he suggested that even then he is not quite sure whether the charge of having made a discrimination between the smaller companies and the bigger companies might not be levelled against anybody who would try to make a distinction like that and who would consider certain buildings in certain kinds of towns as fit to be considered as proper securities. He thereby suggested that that proposition would be capable of consideration by the Government only when there is a possibility of a unanimous understanding or agreement between the smaller companies and the bigger companies as to what kind of towns and what cities should be considered proper by them for this purpose! I am afraid this theory of an "agreement between conflicting parties" and "unanimity" between them is gradually permeating very much into other Departments of Government also and all progress is being kept dependent and made contingent upon such agreements, and that is rather becoming a growing menace in my opinion. I would, therefore, appeal to the Honourable Member to save himself and the country from the danger of any kind of theory of that kind at any rate so far as his own Department is concerned. That is all I have to say.

Mr. T. Chapman-Mortimer: Sir, it had not been my intention to intervene on this discussion, but in view of the trend that the debate has taken I feel I must say a few words. I think there is a very great deal of misapprehension in the minds of many people in regard to investments held by insurance companies. At least some Honourable Members I think will remember that at the time when this was discussed in Simla three or four years ago, we, on these Benches, very strongly took exception to the provisions of section 27 as it now is—which is the section that we must consider and bear in mind when you are talking about

[Mr. T. Chapman-Mortimer.]

"approved securities" I remember arguing—not in this House it is true, not in quite these terms—with the Leader of the Opposition, Mr. Bhulabhai Desai, and I said to him "you are trying to put insurers in a strait jacket when you insist that they must have their investments in certain particular classes of holding," and he laughed at me and suggested that I did not know what I was talking about, when I asked what would happen if the value of Government securities were to change—and we all of us have seen in a very few years the difference between borrowing by Government at five or six per cent and their borrowing today at three and three and a half, and much less in the case of treasuries. So much for the views of the Honourable the Leader of the Opposition, now, unfortunately, absent, but that was his argument and it was largely due to his Party and their attitude that we have section 27.

Mr. M. S. Aney: Unholy alliance between them and the Government Benches then?

Mr. T. Chapman-Mortimer: Well, it was largely at their instigation that this was done, we warned them at the time that it would make difficulties for insurers. Sir it is not my intention now to get up and say anything by way of attacking absent people when I am making my point about this question of the definition of "approved securities".

Mr. M. S. Aney: But very often you do that?

Mr. T. Chapman-Mortimer: Sometimes it is necessary. The point is this. An insurer must, by the nature of his business, keep his assets as fluid as possible. If he is thinking of locking up assets in buildings, however valuable, in companies, however good, if these assets are not of a nature that they can be easily realized when required to meet policies when they fall due, then they might as well not exist at all. That is why the definition of approved securities is drawn in the very tight terms that it is. That is not the same thing as section 27. Section 27, of course, brings in securities and the definition of approved securities, but that definition must stand as it is. If you are going to allow insurers to invest in all classes of real property even in the Presidency-towns, as my Honourable friend, the Commerce Member, has pointed out you get large blocks of valuable property which in under ten years' time may be worth a quarter.

Mr. M. S. Aney: What is the practice in England?

Mr. T. Chapman-Mortimer: In England no decent Insurance Company ever considers investments in the buildings of its head office as part of its assets. Of course, they do invest money in head office buildings and so on but they are long ago written off by careful finance and sound financial policy. I just wanted to make that point because lot of people seem to think that Government have somehow been unjust in allowing this matter to remain open. I do not think so at all. I think Government's view, quite correctly, is that section 27 must remain at present as it stands. As far as the definition of approved securities is concerned, they cannot possibly, in the present circumstances, agree to any change in that definition for the reason that the assets of insurers must be in a highly liquid form.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is:

"That before the existing sub-clause (a) of clause 2 of the Bill, the following be inserted and the existing sub-clauses (a) and (b) be re-lettered as (b) and (c) respectively

'(a) to clause (3) the following shall be added at the end

'and buildings of the companies in large commercial towns including their Head Office buildings, railway shares where the principal or interest is guaranteed by the Provincial or Central Government and debentures floated and secured on their revenues by District Municipalities and District Board'."

The motion was negatived

Dr. P. N. Banerjea: Sir, I move

"That before the existing sub clause (a) of clause 2 of the Bill, the following be inserted and the existing sub clauses (a) and (b) be re-lettered as (b) and (c) respectively

'(a) to clause (3) the following shall be added at the end

'and Head Office buildings of the insurance companies situated in any of the Presidency towns'"

Sir, my amendment is of a much more modest character than the amendment which was moved by my Honourable friend, Mr. Chattopadhyaya. I am thankful to the Honourable the Commerce Member for the sympathy which he has already expressed in regard to this amendment. The head office buildings in the Presidency towns do, as a matter of fact, exist on a footing different from the head office buildings in other towns, particularly the smaller towns. Such head office buildings are regarded as trustee securities for many purposes, and for investment purposes these buildings are far more paving or revenue-yielding than Government securities or other kinds of approved securities. So far as the risk is concerned, there is much less risk in investment in these securities than in any other securities.

As regards the discrimination to which my Honourable friend referred, allow me to point out that discrimination has already been made in the Act itself. In the list of approved securities are mentioned the debentures raised by the City Improvement Trust in any Presidency town. So, there is no difficulty with regard to the question of discrimination. But I do not wish to press this amendment at the present moment as the Commerce Member has already expressed his sympathy and is prepared to consider the question. I agree with him that he may also add 'after 'Presidency towns' some other large towns, for example, the Provincial capitals and places like Bangalore which are very flourishing.'

Mr. Deputy President (Mr Akhil Chandra Datta) Is the Honourable Member moving his amendment?

Dr. P. N. Banerjea: I have already moved it. I should also like the Honourable Member to tell us when it will be possible for him to take this matter into consideration. This question of discrimination is not of very great importance. During the lunch hour I was going through the list of the Insurance Companies. I find that of the non-Indian companies 95 per cent. have their head offices in Presidency towns and the 75 per cent. of the Indian Companies, roughly speaking, are in the Presidency towns. As regards the remaining 25 per cent., if you make a provision for those which are located in the bigger towns, only a few companies will

[Dr P. N. Banerjee]

be left There need not be any difficulty to deter him from taking this matter into consideration at an early date He has his difficulties which I appreciate, but so far as the limited nature of the amendment is concerned, even war conditions do not justify any delay That is what I wish to submit for his decision with regard to this matter and I will withdraw my amendment with the request that this matter may be taken into consideration at a very early date.

Mr. Deputy President (Mr Akhil Chandra Datta) In view of the fact that the Honourable Member has already expressed his desire to withdraw his amendment, it need not be put to the House

Mr. M. S. Aney: Is it to be taken as moved or not?

Dr. P. N. Banerjee: I have already moved it

Mr. M. S. Aney: As the amendment has been moved, it cannot be withdrawn without our leave

Mr. Deputy President (Mr Akhil Chandra Datta) He has certainly moved it, but before it was put to the House, he said that he wants to withdraw it That is practically saying that he is not moving it.

Mr. M. S. Aney: My point of order is this A motion can be said to be moved only when the Member in charge moves it and when the Chair says "Motion moved" That is the point When a Member says : "I move my amendment", is there any option to the Chair except to say : "Motion moved"? In my opinion, there is no option for the Chair on that point In view of the remarks that he has made that he also wishes to withdraw it, the Chair may later on put the other motion that he may be allowed to withdraw it.

Mr. Deputy President (Mr Akhil Chandra Datta) Apart from the technical aspect of the question, if we look at it from the point of substance, the position is this He has no doubt moved it, but before it was put to the House, he said that he would not press it, and, therefore, substantially he does not move it. A motion is taken as moved when the Chair puts it to the House But before that stage was reached, the Honourable the Mover has declared that he does not want the verdict of the House Is it any good, under the circumstances, to put it to the House?

The question is :

"That clause 2 stand part of the Bill "

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill

The Title and the Preamble were added to the Bill.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir I move :

"That the Bill, as amended, be passed "

Sir, I do not think any long speech is necessary from me at this stage. I am very thankful to Honourable Members of this House for the helpful criticism which they have advanced in the course of the discussion on this Bill and for their helpful attitude altogether. As I anticipated at the beginning, there were only two or three provisions which could be considered controversial.

[At this stage, Mr President (The Honourable Sir Abdur Rahim) resumed the Chair]

It is not my fault that on these questions which I considered as vital questions, I was not able to meet the wishes of some Honourable Members. The House will now realise that though this Bill is a ponderous Bill of 71 clauses, the main issues were whether the levy of renewal registration fee or the initial registration fee for Life Insurance Associations and for Provident Associations should be made or not, whether the Agents' fees should be increased or not, and whether the approved securities should be enlarged or not. Beyond these issues, there were actually no other issues which were of a serious controversial nature. If I have been unable to meet the wishes of some Honourable Members on these matters, I have explained my attitude of the difficulties that stood in the way of the Government meeting them in these respects. Sir, I commend the Bill for the acceptance of the House.

Mr. President (The Honourable Sir Abdur Rahim). Motion moved
"That the Bill, as amended, be passed."

Mr. T. Chapman-Mortimer: Sir, there is very little that I wish to say at this stage except this. We have now had within four years one major Bill and one very big Amendment Bill to the Insurance Law of this country and I think the two Honourable Members of the Government concerned, Sir Nripendra Sircar and the Honourable Diwan Bahadur Sir A. Rama-swami Mudaliar, the present Commerce Member, can feel with justice that they have done one of the best pieces of work for their country that has not been done by men in their position for a very long time on a measure of this type.

Mr. Akhil Chandra Datta: Why "for their country"?

Mr. T. Chapman-Mortimer: Yes, all right, for our country, but in the sense in which I used it, it was correct. I have not very much to add to it except this having seen the great care expended by Government and by Members of this House first on the substantive Bill and now on this very important Amendment Bill, I do hope that it means that we can look forward to a fairly long period during which the insurers and the insuring public will settle down to working this piece of legislation. I feel, Sir, that this is one of the most necessary things of this time. The Act itself has been in operation only for a short time and it has not been possible for Government to clear up a great deal of the difficulties that in fact the Act was designed to meet. They are in the process of doing that now, and I am quite sure that in the course of the next two or three years, the Honourable the Commerce Member and his staff will have completed this very important work and placed the insurance business in India in a position that most countries in the world might well envy. Sir, I support the measure.

Dr. F. X. DeSouza: Sir, I wish to say very very few words at the third reading stage of the measure. I think the House has been very fortunate in having an important measure of this kind piloted through by the Honourable the Commerce Member. In the course of the debate, I described his attitude as one of sweet reasonableness, an attitude characteristic of all our Madrassis. Sir, I think it to be an attitude of sweet reasonableness because when he came before the House, he told us frankly, I want so much money, I want to get it at any cost. So I wondered how he was going to get it. There were several ways open to him and one was the old Imperial Roman way—*sic volo, sic jubeo stat pro ratione voluntas*—thus I will, thus I command, my will stands in place of reason. That was not the method adopted by the Honourable the Commerce Member. There was another method followed by King John when he imposed the royal levies. He called a certain number of Jews before him and said that he would levy large sums of money to be paid immediately by the guilds. When the Jews said, why, the answer was, "it is in my power to have every tooth of every one of you pulled out, I shall not do that, instead I shall impose this royal levy". This again was not the method followed by the Honourable the Commerce Member. He showed sweet reasonableness in every way. For instance, he did not take shelter behind technical pleas, e.g., whether it was an amendment under sections 27 or 28. He immediately gave way and said, all right, I shall not take shelter behind this plea. I shall allow the amendment to be moved. In my long experience of this Assembly for over eleven years, I have never seen an attitude like this among Government Members. Again, when he saw there was the interpretation of a particular clause in dispute and he held one view and we, on this side of the House held the opposite view, he said, take this matter up to the Courts, and I, on behalf of the Government of India, undertake to pay the cost.

Mr. M. S. Aney: I am sure he did not say in so many words. Ask him to repeat them again.

Dr. F. X. DeSouza: Let him contradict it. Then, we, coming from the Indian States, are especially grateful to him. Formerly whenever we put questions about reciprocity to Government, we were told that the matter will be considered or that the matter is in course of negotiation. That is all the answer we get. But today, we have got on the floor of the House assurances from him that he would positively carry out the suggestions made by us. If legislation is conducted on these lines so responsive to the opposition I, for one, would not press that this Government should be replaced by another Government more technically responsible to the House. With these words, I resume my seat.

Dr. P. N. Banerjea: Sir, the clauses of the Bill have been considered and passed and it is time for us now to take stock of our gains and losses and to consider the effects of the provisions which we have adopted. Now, it seems to me that we, on this side of the House, have lost a great deal, although we have made some slight gains. These slight gains refer only to the amendments which have been accepted by my Honourable friend the Commerce Member. But more important than these actual

gains, I think, our gains are with regard to the assurances which he has given in regard to the investments and approved securities. These are real gains.

As regards the effect of the provisions of this Bill, I may point out that this has been a taxation measure. The burden will fall to a large extent on the insurance companies, and the smaller insurance companies will feel the burden to a much greater extent than the larger companies. Then, again, a portion of the burden will also fall on the insurance agents who are mostly poor, and they will keenly feel the burden. In this connection I should like to urge on the Commerce Member to see that extravagant expenditure is not incurred in this department. Expansion is needed no doubt in order that the department may do justice to the work undertaken by it, a certain amount of expansion is needed, but let not the expansion go so far as to involve extravagant expenditure. I would request the Commerce Member to keep a watchful eye always on the development of this department so that no further taxation may be levied in future.

As regards the effects of the other provisions of the Bill, I should like to say a few words about the principle which has been accepted with regard to supervision. The principle which was adopted in 1937 with a substantial modification was the English principle of 'minimum of interference with maximum of publicity'. Now this modification has gone further and we find that far greater powers will be assumed by the Superintendent of Insurance and his department in regard to the administration of the Act. To what extent the grant of this power is justified or not it is premature for me to say just now, but I should like to say a word about the assurance that was given by Sir Nripendra Sircar who piloted the Bill of 1937. Yesterday I referred to this matter and the Honourable the Commerce Member asked me to quote what he actually said. He said many things at different times but this is what he said on the 2nd October, 1937 (page 2985 of the Assembly Debates).

"It is the younger companies with their insecure finances, with their difficult conditions, that are more likely to receive the prompt attention of the Superintendent rather than the bigger ones. I venture to think that when the young companies have a little time for reflection, when the propaganda is over and when they come to think over what they have gained, they will see that there is no justification for saying that they have lost all along the line."

Those were his words, and I hope the Honourable the Commerce Member will give us the assurance that the very large, very extensive, and—drastic powers which have been vested in the Superintendent of Insurance will be properly used. I may add in this connection that complaints have reached my ears from time to time about the exercise of these powers by the Superintendent and his assistants. I do not take all these complaints at their face value; I know there is a great deal of exaggeration in these complaints and people who suffer always make a great deal of their grievances. They make their grievances appear in a much more formidable light than these really are. But still I should like to request the Commerce Member so to organise the department that the Superintendent and his assistants may exercise their powers with sympathy and with circumspection. I should like just to mention the fact that when the new Superintendent was first appointed he was hailed by the insurance companies as a friend, philosopher and guide; but later on their attitude changed. I hope the insurance companies were in the wrong and the Superintendent of Insurance was in the right. I indulge in this hope and

[Dr P N Banerjea]

I also express the hope that in future he will so exercise his powers as not to put the smaller and younger companies in difficulty, that he will be a friend and guide to them rather than a dictator and a person who is always ready to punish or oppress them. He has the power to impose various penalties, he has the power to cancel their registration. I hope he will not exercise these powers without a great deal of circumspection; and I hope that before exercising his drastic powers he will take the insurers into his confidence, point out their mistakes, and if they have done anything wrong, to try to right those wrongs. I hope he will not act as a dictator but as a friend and a guide.

Sir, with regard to the other matters about which assurances have been given by my Honourable friend, the Commerce Member, I hope he will decide those questions at the earliest possible moment so that hope deferred may not make the heart sick. With these observations, I support the motion.

Mr. M. S. Aney: Sir, we are glad that this important measure has been considered by the House within a very reasonable time and, ultimately, the report of the Select Committee is practically upheld by this House, if not in every detail, in almost all the important provisions.

Sir, when once before I rose to take part in the discussion of this Bill I took exception to one principle which I considered was underlying this Bill, namely, that Government intend to make this Department a self-supporting one, and in order that it should be so they think proper to levy fees and taxes by bringing in this legislation. Although I have no objection to the Department requiring the insurance companies and others concerned to pay certain legitimate fees, I am opposed on principle to this very idea itself. I have given my reasons when I made my speech on certain amendments before, and I do not want to repeat them. But I want to point out that Government should not labour under this conception at all that the Department is to be self-sufficient and that they should always look upon the insurance companies and others who have to deal with them as sources of revenue to maintain them. In my opinion it is a wrong idea and, therefore, it is only by way of warning that I am repeating that point.

Having said that, there is another point also to which I wish to refer. My Honourable friend, the Commerce Member, has been described by my another friend, Dr DeSouza, as a sweet reasonable man in the House, which he certainly is. I do not deny him that compliment which he richly deserves. While discussing section 27 he told us that the question was one of interpretation, whether the 55 per cent liabilities to be invested in certain approved securities could also be said to include the deposits on policy loans or not—according to him that was a point of interpretation; and according to him we learn that the advice they gave in their Legal Department was that under the law as it is, that cannot be done, and, therefore, he has made a sporting offer to which reference was made by my friend, Dr DeSouza, that the matter should be taken to court, and he is even prepared to bear the costs which the litigants will have to bear in taking the matter to court. I am glad to hear that, but I do not think that is a proper way of approaching the question at all. The point is this;

supposing it is a matter on which there is a possibility of different interpretations. According to one class of lawyers the view is that such kind of securities cannot be included for the purpose of approved securities under that section, while according to others, they can be. If there is a point like that, the position which the Government Member has to take is not, which of the two views is correct, but which of the two is the proper thing in the interests of the people. From that point of view he has to look at the question because that is in his hands, he can amend the law and make it conform not only to the intention of those who made the first Act, but in accordance with the way in which the thing ought to be done. What ought to be done must be carefully borne in mind by him rather than what was done and what was the object before. My point is this he has scrupulously not disclosed to us his own mind, what view he himself shares. Of course, the fact that the present Bill opposes a particular point of view indicates that he is inclined more favourably to the advice which was given to him by the Legal Department of the Government. But my point is this does he think that that is a more equitable view? Does he think that the exclusion of these important securities from 55 per cent is the proper way to do the thing? If that is not so, he himself, instead of driving the people to a court of law and getting the matter interpreted there and a decision taken, he himself should come forward with a suggestion so as to make the section altogether beyond doubt and get section 27 amended in such a way as to permit his Department to treat the deposit amount and the loans, as proper approved securities. That is what he should do, in my opinion.

Dr. F. X. DeSouza: Would such an amendment be within the scope of the present Bill?

Mr. M. S. Aney: I say that he should come to a decision like that instead of asking the people to have recourse to a court of law. It may be that he is correct according to that law, but supposing this is the right thing to do, he should do it. It is one thing for private parties to have recourse to a court of justice and get the thing rightly done. It is another thing for the Government, when they find that there is an ambiguity in the law, that they should not urge the parties to run to a court and get the matter settled there. It is in their hands to make the law proper.

Dr. F. X. DeSouza: He will have to bring in another Bill.

Mr. M. S. Aney: He can certainly do so. What trouble is there for him? Government can easily bring in an amending Bill—they do not take much time in driving one member out and bringing another member in and in the same way, they can easily bring in another Bill without much difficulty if not in this Session, at least in the next Session. What I mean is this it is not proper for the Government to ask us to go to a court of justice and say "If you succeed, well and good I am not going to do anything further I will abide by the court's decision." But I say "No" For God's sake do not ask us to go to a court. Legislatures are intended to save litigation, to prevent people from being driven to a court of justice and wasting their energies in that way. The legislature is there to settle matters and show people the correct thing to do, so that litigation can be avoided. (Interruption) That is the misfortune of those people and the responsibility of those who help them in doing it. So my suggestion is

[Mr M S Aney.]

this even now, instead of thinking that he has made a sporting offer, I will ask him to reconsider the position and see whether the demand that was made on this side of the House in regard to the inclusion of these three things as approved securities is a proper one or not. If he considers the matter, I am sure he will come to the conclusion that they are as good securities as any other approved securities that he can think of and he will reconsider his decision and come here with an amending Bill instead of asking us to depend on the decision of a court of law, which we do not know what it will be. It is rather asking us to depend upon something uncertain.

Then, after that, there is one more point and that is this if there is one thing for which I am a little sorry today on account of the passing of this Bill, it is only this when we passed the last bill into law, the one thing which gave universal satisfaction was that so far as the rights of the policy-holders are concerned, any defects in the policy which had crept in there were to have no effect whatsoever in affecting their interests later on, if for two years no step was taken by the insurance company to detect and rectify the policy-holder felt himself free from any kind of bother in getting his claim at the proper time. That was thought to be a great achievement and improvement, made in the interests of the policy-holders and the House congratulated the Honourable Member in charge for having taken up that stand in the Bill. What I now find is this somehow or other the big insurance companies who were not satisfied with the Act have now succeeded in undermining that to a great extent. The advantage that was then secured to policy-holders is likely to be undermined to a great extent on account of the new wording that is now put in the Act; and, although I have much to say in favour of the Bill that is now going to be passed, this one clause makes me think that we have taken a reactionary step which the House should not have taken.

Dr. P. N. Banerjee: Let that clause be amended in the other House.

Mr. M. S. Aney: I do not know, if he was so inclined he could have done it here, but the position is this this is a point which is likely to be adversely criticised and rightly criticised in my opinion, outside, and I cannot congratulate the House upon having given its consent to that particular amendment.

Sir, apart from that I must admit as every other Member has admitted that the Honourable the Commerce Member in charge of the Bill was certainly helpful, and it is because of that helpful attitude that we could finish discussion of this extremely complicated Bill within such a short time and yet without feeling in any way handicapped. I congratulate him on having successfully piloted it and congratulate the House also on having made certain necessary improvements in the old Act.

Syed Ghulam Bhik Nairang (East Punjab Muhammedan). Sir, as our working hours for the day are drawing to a close, I do not propose to make anything like a speech on this occasion. I shall merely content myself with offering my very warm congratulations to the Honourable the Commerce Member for having piloted this Bill through this House with such conspicuous ability and sweet reasonableness that I think it is a remarkable success.

The Bill was certainly very complicated. It had a number of clauses to which there were so many amendments, and many of the amendments were keenly contested. We were, moreover, at the fag end of the Session, and it might have put the patience of another Member in charge of a Bill like this to a very severe test, but I must congratulate our Honourable friend, the Commerce Member, on maintaining an attitude of unruffled open-mindedness throughout in answering questions and explaining all points connected with the various provisions. As far as I am concerned, he quite convinced me about the propriety of the major portion of the provisions which were sought to be amended, and showed that the attitude of the Government was right, and the amendments were unnecessary. While offering him congratulations on his success, I may without repeating what has been said by my friends, Dr. Banerjea and Mr. Aney, join them in calling the attention of the Honourable the Commerce Member to the points raised by them in their speeches during the Third Reading. Those points really do deserve the close attention of the Honourable the Commerce Member, and although the present position appears to be that he is not able to do more than what he has done for meeting the wishes of the insurance companies or the assured, I hope he will bear these matters in mind, and will see that the Superintendent of Insurance, in future, deals with insurance companies in such a way that he may be looked upon as their real guide, philosopher and friend, and that the Commerce Member will particularly see if he can meet the wishes of the insurance companies in the matter of enlarging the scope of approved securities. These appear to have been the two great points which loomed large in the speeches of my friends, Dr. Banerjea and Mr. Aney, and I hope they will be attended to by the Honourable the Commerce Member. With these few remarks, I support the motion for the third reading of the Bill.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: Sir, I should like to thank Honourable Members who have spoken on the Third Reading for their very kindly references to me. I am deeply touched by these references. Let me frankly state that for the last one year at least I have not taken the subject of insurance as a minor charge in my portfolio, but I have devoted considerable time and attention to this subject. The Act was passed, and it came into effect, as Honourable Members are aware, only a short time back. The Superintendent of Insurance came across a great many difficulties in working this Act, and when these difficulties were brought to my notice, in spite of the fact that I was, candidly speaking, pre-occupied with what were more pressing demands on my time, I felt that I could not in any way neglect this important Act, but that I should take all steps that were necessary to consider the difficulties that had arisen in the working of the Act. As I told the House before, I took care to consult the interests concerned, called a Conference of insurance companies, agents and others interested, and the result of those deliberations I laid before the House in the form of this amending Bill. I am glad to see that the labours of about nine or ten months at least have now been accepted by this House in all essential particulars.

I should like to make an observation with reference to Dr. Banerjea's reference to the Superintendent of Insurance. Sir, I said that I have taken a keen interest in the working of the Insurance Act. I and the

[Sir A. Ramaswami Mudaliar]

Secretary of my Department have devoted a considerable time to examining the cases which had come under the review of the Superintendent of Insurance. Though the powers of the Superintendent in many of these matters are Statutory powers, we still took the opportunity of examining his decisions, and if only Honourable Members had been in my place, they would, so far from complaining of the Superintendent of Insurance taking hasty action in these matters, have thanked him for the forbearance he has shown from time to time for the opportunities that he has given to insurance companies time and again to rectify their mistakes, and for the latitude he has shown to those companies. In some of these cases—the facts are very ugly,—I can tell you that any Superintendent of Insurance who has the interests of the policyholders at heart cannot for a moment take any other attitude than what my friend, Mr Thomas, has taken. These facts cannot, for obvious reasons, be revealed, and any body, with a sense of responsibility to the policyholders, must necessarily at one stage or other, after having given the largest latitude to those companies, come down with a heavy hand. It is in these cases that the full facts are not known to the public, but what is known is that registration has been cancelled by an apparently unsympathetic, unkind, expert Superintendent of Insurance. That is not a correct attitude to take. As I have said, I have myself examined at least a dozen of these cases when applications were made to me for a review of these cases, though I have not the power of review under the Statute, still I took the opportunity of calling for the files and looking into those things, and I can assure the House that in this matter his inquisitorial powers or his powers of correction have not been used in that unguarded, harsh and unkind manner they are supposed to have been used.

Mr. M. S. Aney: May I say one thing, Sir. When drastic steps like that have to be taken, will it not be better to state the reasons as to why that step was taken, I mean for cancelling the registration of a company. The grounds why registration was cancelled should be published.

The Honourable Diwan Bahadur Sir A. Ramaswami Mudaliar: I am prepared to consider this suggestion in consultation with the Superintendent of Insurance. But I can tell you this that there are companies and companies which, for one reason or another, put off and put off paying the requisite amount or returning the requisite documents postponing the actuarial report or even filing the documents at the proper stage, and there are methods by which this process can be elongated, all the while the securities are depreciating, the policyholders' interests are becoming most insecure, till, ultimately, an overwhelming catastrophe might be the result so far as the policyholders are concerned. These facts have to be taken into consideration when you assess the work of the Superintendent of Insurance and his supervision of these companies. I myself have been responsible for introducing three amending Bills, and I understand that Sir Nripendra Nath Sircar had to introduce an amending Bill almost as soon as the main Act was passed. But I have the satisfaction that all these amending Bills were passed for the benefit of insurance companies. The first amending Bill that I introduced myself last year was to give the right of reciprocity to companies in Indian States. It was a thing which was asked for by the insurance companies, and it is

due to their pressure that we introduce that measure. The second amending Bill was introduced only in February last to excuse the deposits that had to be made by younger life insurance companies,—again on pressing demand made by these insurance companies. The third amending Bill is the present one, and the House will see that most of its provisions,—apart from the levy provision which has been called a taxation provision, and I said frankly that I wanted this provision—these provisions also are for the benefit of the companies. I trust that the chapter of amending Bills on the Insurance Act is for the time being at any rate closed and I shall not be put to the necessity of coming again before the House with another insurance amending Bill. As for the other assurances that I have given, I shall stand by those assurances and consider how far and when they can be implemented.

Mr. President (The Honourable Sir Abdul Rahim) The question is
 "That the Bill, as amended, be passed"
 The motion was adopted

THE DELHI RESTRICTION OF USES OF LAND BILL

Mr. J. D. Tyson (Secretary, Department of Education, Health and Lands) Sir, I beg to move

'That the Bill to regulate in the Province of Delhi the use of land for purposes other than agricultural purposes, as reported by the Select Committee, be taken into consideration."

Syed Ghulam Bhik Nairang (East Punjab Muhammadan) As it is now only eight minutes to 5, may I suggest that perhaps this work may be reserved for the whole of tomorrow?

Mr. J. D. Tyson: I shall not take more than five minutes, Sir

Mr. President (The Honourable Sir Abdur Rahim) Very well.

Mr. J. D. Tyson: Honourable Members will have observed that the Bill, as it has emerged from the Select Committee, has been only very slightly modified. The modifications mainly are in the direction of securing further publicity for notice of intention to declare an area controlled, secondly, of exclusion in the administration of the Act of possibly interested parties and the inclusion as parties at the "objection" stage of all possible interested persons. Thirdly, there is an alleviation of the conditions under which permission to build can be granted and of the penalties enforceable against recalcitrants, and lastly, specific provision has been introduced making it clear that buildings of a religious character are excluded from the operation of the measure. The Select Committee's Report was unanimous except on this last point. As his note of Dissent has indicated, Mr Abdul Ghani felt that the Committee had not gone far enough in protecting land used for religious purposes. I cannot, of course, speak for the Select Committee, but from this side of the House I will say at once that we shall do our best at the consideration stage to meet the points that Mr Abdul Ghani has made in his brief Minute of Dissent. The only other thing that I would say is this. I shall not

[Mr. J. D. Tyson.]
anticipate the other amendments now. On some of them I am afraid I must stand firm, when they come up, but I hope that, while I cannot promise to make any "sporting offers", I hope that in general I shall be able to show that the spirit of "sweet reasonableness", of which we have heard something this afternoon, is not confined to Honourable Members who come from Southern India. Sir, I move.

Mr. President (The Honourable Sir Abdur Rahim) Motion moved.

"That the Bill to regulate in the Province of Delhi the use of land for purposes other than agricultural purposes as reported by the Select Committee, be taken into consideration."

Perhaps the House would like the discussion to begin tomorrow.

The Assembly then adjourned till Eleven of the Clock on Tuesday, the 1st April, 1941.

LEGISLATIVE ASSEMBLY

Tuesday, 1st April, 1941.

The Assembly met in the Assembly Chamber of the Council House at Eleven of the Clock, Mr President (The Honourable Sir Abdur Rahim) in the Chair

STARRED QUESTIONS AND ANSWERS

(a) ORAL ANSWERS

DIFFERENTIAL TREATMENT TO 1925 NORTH WESTERN RAILWAY STRIKERS.

1566. *Maulvi Syed Murtaza Sahib Bahadur: (a) Will the Honourable the Railway Member please state whether it is a fact that a strike occurred on the North Western Railway in May, 1925, that it was recognised as legal, and that the majority of the strikers who could not join their post up to the fixed date, *viz*, 15th July, 1925, belonged to Rawalpindi Division and the Agent, North Western Railway, condoned the break in their previous service after taking away from them the provident fund money and gratuity by monthly instalments, but has not given them their previous "seniority"?

(b) Is it also a fact that a similar strike took place in February, 1930, on the Great Indian Peninsula Railway, and most of its strikers were sent to the North Western Railway in 1935 and given their previous privileges, *viz*, re-instatement and seniority without refunding the money of the provident fund and gratuity?

(c) Will the Honourable Member state why the North Western Railway strikers have not been given their old seniority, and have been treated differently?

(d) Is it a fact that in certain other Divisions of the North Western Railway, the concession of condonation of break in service was given to the strikers of 1925 and that while they were refunding the amount of provident fund by instalments, they were required to repay in cash and lump sum the remaining amount?

(e) If so, are Government prepared to reconsider their decision and allow those men also to repay the provident fund by instalments? Is it a fact that their inability to repay the fund in lump sum has resulted in their condonation of break in service being cancelled?

The Honourable Sir Andrew Glow: (a), (c) and (d) I have called for information and a reply will be laid on the table of the House in due course

(b) A strike took place on the Great Indian Peninsula Railway in February, 1930, and by 1936 about 870 of the strikers had been absorbed on the North Western Railway. I have called for information regarding the conditions under which these men have been re-employed on that Railway

+Answer to this question laid on the table, the questioner being absent

(e) I shall consider if any action is necessary after I am in possession of the full facts

AMALGAMATION OF GRADES I AND II OF DIVISIONAL OFFICES CLERKS ON NORTH WESTERN RAILWAY

567. *Maulana Zafar Ali Khan: Will the Honourable the Railway Member be pleased to state whether it is a fact

- (a) that the grade I clerks employed in the Divisional Offices on the North Western Railway submitted their first representation for the removal of the block at Rs 60 in 1928, a reply to which was given under the Agent, North Western Railway's letter No 522-E /80, dated the 17th February, 1929,
- (b) that these clerks submitted their second representation in 1929, as a result of which the Agent recommended to the Railway Board that grades I and II should be amalgamated immediately,
- (c) that a third representation was submitted by them in March 1933, in reply to which they were informed by the Agent, *vide* his letter No 522-E /186, dated the 14th October, 1933, that the revision of scales of pay was under consideration,
- (d) that they addressed their fourth memorial to the Railway Board in October, 1934, in reply to which the memorialists were informed by the Agent, *vide* his letter No 522-E /186, dated the 8th April 1935 that he had withheld their memorial as the question was within his competence to decide, and
- (e) that a similar amalgamation of grades was effected in the Accounts Department in 1935?

The Honourable Sir Andrew Clow: (a) to (d) I am not in possession of full details, but I am prepared to take the Honourable Member's word for them

(e) There was an amalgamation of grade in the Accounts Department but, as I explained in the course of the debates on the demands for grants, the circumstances were by no means similar

Mr. Lalchand Navalrai: May I know from the Honourable Member whether the General Manager was considering a particular scheme to give some relief to them? Has it been published? Has it been given effect to?

The Honourable Sir Andrew Clow: There has been no decision since I spoke on the subject a few weeks ago

Mr. Lalchand Navalrai: Will the Honourable Member see that the decision is arrived at soon, so that the anxiety of these people might come to an end?

The Honourable Sir Andrew Clow: I believe Mr. Griffin has the matter under consideration

Mr. Lalchand Navalrai: It is one thing for a matter to be under consideration and another thing to issue orders. I am requesting the Honourable Member to see that the matter is decided soon.

The Honourable Sir Andrew Clow: I will do my best to expedite it. It is a very difficult question, and I cannot promise that it will be decided on any particular date.

MEMORIAL FROM TRAINS CLERKS OF NORTH WESTERN RAILWAY.

568. *Qazi Muhammad Ahmad Kazmi: Will the Honourable the Railway Member be pleased to state whether he is aware of Memorial No 15 of the 8th February, 1941, from the trains clerks of North Western Railway, and if so, what action Government have taken or propose to take thereon?

The Honourable Sir Andrew Clow: I have seen the memorial referred to, which should not have been sent direct. The Railway Board do not propose to take any action against those responsible for this irregularity but have forwarded it to the General Manager of the North Western Railway.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member inform this House whether, in the event of the memorial being submitted by subordinates, it is in order or out of order to send an advance copy to the Railway Board or the Agent of the Railway?

The Honourable Sir Andrew Clow: There is no objection to an advance copy being sent, but it usually causes a little inconvenience.

Lieut.-Colonel Sir Henry Gidney: In view of the answer given by the Honourable Member, which I am very glad to have, will he inform this House whether, if a subordinate does that, he should be penalised or threatened with punishment?

The Honourable Sir Andrew Clow: It will depend upon circumstances.

Lieut.-Colonel Sir Henry Gidney: May I request the Honourable Member to let me have a definite reply. If a subordinate has a right of sending an advance copy of the appeal to the Agent or the Railway Board, is it right or is it wrong for the railway official to threaten him with punishment or penalise him?

The Honourable Sir Andrew Clow: The Honourable Member's premise is incorrect, there is no right. I was stating that ordinarily we do not take any objection to advance copies being sent, but it does cause a certain amount of inconvenience, and if certain individuals make a habit of it, I think it is right to ask them not to do it.

Lieut.-Colonel Sir Henry Gidney: I quite agree with the Honourable Member, but if the irregularity, as he calls it, is committed, should the subordinate be threatened with punishment and almost penalised or threatened with dismissal or some such punishment? That is what I want to know.

The Honourable Sir Andrew Clow: I certainly should not regard it as a circumstance warranting dismissal at all, but the case I was referring to was a case where a memorial was directly addressed to the Secretary, Railway Board, and not to the proper authority.

UNIFORMS OF TRAINS CLERKS ON NORTH WESTERN RAILWAY.

569. *Qazi Muhammad Ahmad Kazmi: Will the Honourable the Railway Member be pleased to state whether it is a fact that the issue of uniforms to trains clerks on the North Western Railway was stopped as a measure of economy in the time of depression in 1930, and if so, whether Government have considered the advisability of removing this grievance now? If not, why not?

The Honourable Sir Andrew Clow: The issue of uniforms to trains clerks on the North Western Railway was discontinued in 1932, they are, however, being supplied with overcoats, and waterproof coats if necessary. Government do not consider that any action is necessary, as uniforms are issued to staff who come into close contact with the public.

Qazi Muhammad Ahmad Kazmi: Trains clerks have also to look to the trains. Do they not also come into contact with the public in this sense?

The Honourable Sir Andrew Clow: I do not think they come into close contact with the public.

PROMOTION OF TRAINS CLERKS AS INTERCHANGE STOCK VERIFIERS ON NORTH WESTERN RAILWAY

570. *Qazi Muhammad Ahmad Kazmi: Will the Honourable the Railway Member be pleased to refer to the answer to part (d) of starred question No 466 of the 20th March, 1940, giving reasons of non-promotion of trains clerks, and state whether Government propose to prefer trains clerks for promotion to interchange stock verifiers' job having knowledge of the conference rules relating to interchange of stock between Railways?

The Honourable Sir Andrew Clow: Government do not make these promotions, but I assume that if any of the train clerks possessed the requisite qualification and applied for such a post, his application would be considered.

TRAIN CLERKS ON NORTH WESTERN RAILWAY.

571. *Qazi Muhammad Ahmad Kazmi: Will the Honourable the Railway Member be pleased to state—

- (a) the number of train clerks in grades I, II, III, IV, and V, in each division of the North Western Railway; and
- (b) the number of train clerks of grade I in Delhi Division who have put in 10 to 15, 15 to 20 and above 20 years' service and are barred at Rs 60?

The Honourable Sir Andrew Clow: (a) I lay a statement on the table of the House giving the required information.

(b) The numbers are 58, 19 and 26 respectively

Statement showing the Number of Train Clerks in each Division of the North Western Railway.

Division.	Grade I.	Grade II.	Grade III	Grade IV.
Lahore	110	11	2	..
Quetta	5+11 Temporary.	2		
Karachi	119	10	3	1
Ferozepore	22	1		
Delhi	146	19	9	1
Multan	43	1	2	
Rawalpindi	45	6		

DISREGARD OF CLAIMS OF MUSLIMS IN THE OFFICE OF THE DIVISIONAL SUPERINTENDENT, NORTH WESTERN RAILWAY, FEROZEPORE.

572. ***Maulvi Muhammad Abdul Ghani:** (a) Has the attention of the Honourable Member for Railways been drawn to an article published in the daily *Shabaz*, dated the 16th January, 1941, regarding "Negation of legitimate Muslim rights in all grades of services in the office of the Divisional Superintendent, North Western Railway, Ferozepore"?

(b) Is it a fact that Babu Cowri Lal retired in November, 1940 from the post of Branch Head Clerk in the office of the Divisional Superintendent, Ferozepore?

(c) Had Babu Hans Raj, the next seniormost man been debarred from being promoted further?

(d) Is it a fact that the third seniormost man was a Muslim with 20 or more years' experience in Commercial Branch? If so, why was he not promoted?

The Honourable Sir Andrew Clow: (a) I have seen the article referred to

(b), (c) and (d) Government do not get information relating to the promotion of individuals to clerical appointments. These appointments are not based on communal considerations but if any individual considers that, for communal or any other reasons, he has not received just treatment it is open to him to represent his case to the appropriate authority

Maulvi Muhammad Abdul Ghani: In any case where a representation is made to the higher authorities, will the Honourable Member issue an order to the immediate superior officer not to withhold that representation?

The Honourable Sir Andrew Clow: I certainly could not give such instructions. The representation ought to be addressed to his own immediate superior

Maulvi Muhammad Abdul Ghani: Sometimes it is withheld?

The Honourable Sir Andrew Clow: Quite rightly. If it is addressed to the Railway Board, they can quite correctly withhold it. If it is addressed to the proper authority, it should certainly not be withheld

Mr. Lalchand Navalrai: The Honourable Member said that these appointments are not based on communal considerations. May I know why an application should be made on the question of communal representation? What will be the effect of it?

The Honourable Sir Andrew Clow: The allegation made in the newspaper account was that a man had been penalised because of communal considerations. He is obviously entitled to make a representation on that score if there is foundation for it.

DISREGARD OF CLAIMS OF MUSLIMS IN THE OFFICE OF THE DIVISIONAL SUPERINTENDENT, NORTH WESTERN RAILWAY, FEROZEPOR

573. *Maulvi Muhammad Abdul Ghani: (a) Will the Honourable the Railway Member please state whether there is any instance on record in the Ferozepore Division of the North Western Railway and in its commercial branch to hold examination of junior and senior clerks for promotion to the post of Head Clerk? If so, will the Honourable Member please give full information?

(b) Is it a fact that one, Babu Pirthwi Raj Singh, who was a temporary clerk not even on probation and also had not passed any departmental examination, was allowed to sit at the so called examination for efficiency and appointed as the Head Clerk?

(c) Is it a fact that a Muslim clerk of grade III of Personal Branch was made to retire two years earlier before his actual time of retirement? If so, what was his fault?

(d) Is it a fact that a junior Muslim clerk who is a B.A., LL.B., applied to the authorities concerned to hold examination of efficiency, like one already held in the Commercial Branch of the Ferozepore Division? Was any examination held? If not, why not?

(e) Is it a fact that a Hindu clerk was promoted without any examination? What is the reason for such differential treatment in promotion in the same division?

(f) Are the figures relating to Head clerks as stated below correct? If not, what are the correct figures of services in different branches of the said division?

Branch.	Hindus.	Sikhs.	Muslims.
Personnel	1		
Train	1		..
Copying	1		
Drawing		1	..
Commercial		1	..
Way and Works	1
	4	2	..

The Honourable Sir Andrew Clow: (a) to (e) Government do not receive particulars regarding the promotion of individuals to clerical

appointments and I regret that I cannot undertake to investigate allegations of individual grievances based on newspaper accounts. But I am asking for information regarding the circumstances in which this reported examination was held, and information relating to these circumstances will be laid on the table in due course.

(f) I have called for information and a reply will be laid on the table in due course.

CASE OF A MILITARY SEPOY FOUND TRAVELLING IN IRREGULAR MANNER AT KIUL RAILWAY STATION, EAST INDIAN RAILWAY

†574. *Dr. Habibur Rahman: (a) Will the Honourable the Railway Member please state whether it is a fact that the ticket checking staff found a military sepoy travelling in irregular manner at Kiul station on the East Indian Railway?

(b) What was the irregularity? Was he travelling in a higher class than the class for which he had the warrant? Did he exchange the warrant into a ticket?

(c) What action was taken by the ticket checking staff?

(d) Is it not a fact that the Chief Inspector of the ticket checking staff was arrested by the Railway Police and subsequently released on bail?

The Honourable Sir Andrew Glow: I have called for the information and a reply will be laid on the table of the House in due course.

SOLDIERS TRAVELLING IN IRREGULAR MANNER ON RAILWAYS.

†575. *Dr. Habibur Rahman: (a) Will the Honourable the Railway Member please state whether it is the policy of the Railway Department not to check the tickets of the military people and give them freedom to travel in any way they like?

(b) If the answer to part (a) be in the negative, are Government prepared to issue definite instructions as to the manner soldiers who are found to travel in an irregular manner, may be treated by the ticket checking staff?

The Honourable Sir Andrew Glow: (a) No

(b) I understand that definite instructions for the guidance of the ticket checking staff already exist.

UNSTARRED QUESTION AND ANSWER

DEPOSIT OR MONEY BY TRANSPORTATION APPRENTICES ON EAST INDIAN RAILWAY

223. **Maulvi Muhammad Abdul Ghani:** Will the Honourable Member for Railways please refer to paragraph 61 of the East Indian Railway Gazette No 8 of 1941, dated the 29th January, 1941, regarding transportation apprentices, viz., "that each apprentice will be called upon to deposit a sum of Rs 500 which will be forfeited if he leaves the service during the period of his apprenticeship except for reasons which the administration accepts", and state the particulars of the rules for the

†Answer to this question laid on the table, the questioner being absent.

recruitment and training of subordinate staff under which the principles of deposits are laid down by the Railway Board under the powers delegated by the Governor General in accordance with the direction provided by the Secretary of State for India in the Railway Services (Classification, Control and Appeal, Rule or rules made under section 968 of the Government of India Act 1919)? If no principle is prescribed, what is the reason for the violation by the General Manager and what is the action taken? If no action has been taken, why not?

The Honourable Sir Andrew Clow: There is no specific rule concerning deposits in the rules governing the recruitment and training of non-gazetted staff on State-managed Railways, but under 79 of these rules the General Manager is empowered to make subsidiary rules. The action of the General Manager violates no principle, the other parts do not arise.

SHORT-NOTICE QUESTION AND ANSWER

REQUISITIONING OF ENGINES FROM OTHER RAILWAYS BY THE GREAT INDIAN PENINSULA RAILWAY

Lieut.-Colonel Sir Henry Gidney (a) Will the Honourable the Rail-way Member be pleased to state whether it is a fact

- (i) that on the Great Indian Peninsula Railway engines from other Railways have been requisitioned in recent times for meeting the traffic needs of that line, and
- (ii) that at no other time in the past has this practice been adopted?

(b) Will the Honourable Member be pleased to state the circumstances which led to the requisitioning of engines from other Railways for use by the Great Indian Peninsula Railway?

(c) Will the Honourable Member be pleased to state whether the requisitioning of engines from other Railways by the Great Indian Peninsula Railway is due to

- (i) shortage of engines,
- (ii) the unsatisfactory condition of the engines now in service on the Great Indian Peninsula Railway?

The Honourable Sir Andrew Clow: (a) (i) The number of engines on the Great Indian Peninsula Railway has been temporarily supplemented by engines from two other Railways

(ii) No. It is not an uncommon practice, and of the 17 locomotives transferred, 5 were Great Indian Peninsula Railway locomotives which were being used by the East Indian Railway and 5 were North Western Railway locomotives on loan to the East Indian Railway

(b) and (c) (i) Increased traffic on the Great Indian Peninsula Railway induced by war conditions necessitated an expansion of the power available

(c) (u) No

Lieut.-Colonel Sir Henry Gidney: Will the Honourable the Communications Member be so good as to ascertain from various State and Company-managed Railways the total number of engines.

- (a) unfit for use owing to their being irreparable, and

(b) unusable on account of being too heavy for some of the weaker lines and bridges"

The Honourable Sir Andrew Clow: No, Sir, I am afraid I should have to have notice of that question.

Lieut.-Colonel Sir Henry Gidney: Will the Honourable Member kindly make that inquiry so as to satisfy himself?

The Honourable Sir Andrew Clow: I shall consider the matter, and I shall try if possible, to find out, but it might mean quite an extensive inquiry, and I cannot make a definite promise.

STATEMENTS LAID ON THE TABLE

Information promised in reply to parts (a) and (b) of unstarred question No 133, parts (a) and (b) of unstarred question No 134 and parts (b) and (d) of unstarred question No 136 asked by Mr Muhammad Ashar Ali on the 15th March, 1941

RULES FOR RECRUITMENT AND CHANNELS OF PROMOTION OF CLAIMS CLERKS ON EAST INDIAN RAILWAY

No 133—(a) Yes, the rules for the recruitment and channels of promotions of "Office Clerks, etc", on the East Indian Railway cover the Claims Clerks

(b) Does not arise

RULES FOR RECRUITMENT AND CHANNELS OF PROMOTION OF NON-GAZETTED STAFF IN THE RESEARCH DEPARTMENT OF EAST INDIAN RAILWAY

No 134—(a) I am informed that the rules regulating the recruitment and channels of promotion for the "office clerks" group in Appendix II of the State Railway Establishment Code, Vol I, apply to the Research Department of the East Indian Railway

(b) Does not arise

RULES FOR RECRUITMENT AND CHANNELS OF PROMOTION OF TIME-KEEPER AND SHED SERGEANT AT THE HOWRAH GOODS SHEDS OF EAST INDIAN RAILWAY

No 136—(b) No

(d) Yes

MOTION FOR ADJOURNMENT

ALLEGED MISUSE OF THE GOVERNMENT OF INDIA ACT

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member, Qazi Muhammad Ahmad Kazmi, has given notice of a motion to adjourn the business of the Assembly to discuss a definite matter of urgent public importance, *viz.*,

"to censure the Government for giving an assurance to this House in such an ambiguous language that at the time it was given it was taken by the House to be an assurance to the effect that the provisions of the Defence of India Act shall not be

[Mr President]

misused throughout British India but which on a closer examination has now been found not to cover its enforcement by the Provincial Governments and the persistence of the Government of India in this interpretation irrespective of the spirit in which the assurance was given "

On the face of it, this is an absolutely untenable motion and I disallow it

The Honourable Sir Muhammad Zafrullah Khan (Leader of the House) Sir, I take strong exception to a motion of this kind, as the terms of this motion mean that I succeeded in befooling the House and that casts a reflection upon the intelligence of the House

Sardar Sant Singh (West Punjab Sikh) On a point of order, is the Honourable Member relevant in making a statement of that kind in this House?

Mr. President (The Honourable Sir Abdur Rahim) The motion has been disallowed. The motion indeed casts reflection, as much on the Honourable Member who has tabled this motion as on the other Members of the House

Lieut.-Colonel Sir Henry Gidney (Nominated Non-Official) On a point of personal explanation Sir, I may say that this motion was tabled without the knowledge of my Party at all

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) May I make a submission, Sir?

Mr. President (The Honourable Sir Abdur Rahim) No, the Honourable Member may make no more submission

THE RAILWAYS (LOCAL AUTHORITIES TAXATION) BILL

The Honourable Sir Andrew Clow (Member for Railways and Communications) Sir, I move for leave to introduce a Bill to regulate the extent to which railway property shall be liable to taxation imposed by an authority within a Province

Mr. President (The Honourable Sir Abdur Rahim) The question is "That leave be granted to introduce a Bill to regulate the extent to which railway property shall be liable to taxation imposed by an authority within a Province"

The motion was adopted

The Honourable Sir Andrew Clow: Sir I introduce the Bill

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban) When will you take up the second reading?

The Honourable Sir Andrew Clow: Next Session

THE DELHI RESTRICTION OF USES OF LAND BILL—*contd*

Mr. President (The Honourable Sir Abdur Rahim) The House will now resume consideration of the following motion moved yesterday by Mr J D Tyson

'That the Bill to regulate in the Province of Delhi the use of land for purposes other than agricultural purposes, as reported by the Select Committee, be taken into consideration"

Mr. Muhammad Azhar Ali (Lucknow and Fyzabad Divisions Muhammadian Rural) Sir, when this Bill was introduced we had the good luck of going through the Objects and Reasons of this Bill, but on further thought it appeared to be not only a complicated Bill but also, if I may be permitted to say so, an ill conceived Bill. The objects and reasons of the Bill appear to be very simple, but when we went through the clauses of the Bill we found that a cursory view of the Bill would not be enough. We have had to find out the reason why this Bill is brought before this House at the fag end of the Session. Sir, while examining the clauses, we found that the object as it appeared to be very simple was not, however, like that. It was to give more powers into the hands of Government than what they should exercise, notwithstanding the fact that there were three or four Acts under which the Government could exercise those powers. There is the Improvement Trust Act, there is the Delhi Laws Act of 1912, there is the Land Acquisition Act, and so forth. But still the Government will more power under this legislation. However, as we are forced to discuss the provisions of this Bill at the fag end and amendments have been tabled, we hope that the Government of India would consider it twice and accept those amendments which are reasonable. We have faith to some extent in the reasonableness of the Department and the Member in charge.

Sir, it might be said that it is contemplated that some development is to be made in the very near future or at some small distant date in the history of Delhi, but, Sir, that object could be very easily gained by making some amendments in the other enactments, for instance, in the Improvement Trust Act. In the Schedule itself, some localities could be taken as under this Bill, or adjustments and references could be made, but unfortunately this has not been done. Sir, if I may be permitted to say so, this Bill has come before the House at the fag end of the Session, and if this Bill had come before the House when the House was full and when the Opposition was in full strength, I am afraid this Bill would have been thrown out from beginning to end. But, Sir, coming at this fag end, and as the Opposition is not strong, this Bill has to be passed somehow in this House. The public in Delhi perhaps did not realize fully the implications of this Bill. There is to be a declaration, and after that declaration, Sir, the Government have got every right to restrict the rights of the proprietors of properties and their use. Sir, the Governor General in Council has great powers in applying the Delhi Laws Act of 1912 and the Government of India also could take action under the Improvement Trust Act. His Excellency the Governor General can extend to the Province of Delhi powers by adding to the Schedule of the Improvement Trust Act as I said. However, as the Bill is now before the House, it seems that it can control the property up to a very long distance from the place where we are sitting.

[Mr Muhammad Azhar Ali]

We find that the facts have been taken in this Bill not only from the English Act but also from the different Provincial Acts and we also find that before any planning is taken up and before any conditions are expressed, this Bill is to operate to the detriment of the people who hold property in Delhi. I think it was rather a high-handed action on the part of Government. At the same time, the declaration would affect the people who hold property in Delhi Sir, there are provisions in this Bill which say that, even without compensation, declaration could be made. That is a very great power. We know that under the Improvement Trust Act there is to be a planning, the maps will be drawn out, people are to be informed by notifications and they can bring forward their objections. At the same time, compensations can be granted to the persons concerned through the district authorities. There are the judicial courts to be approached and the general public has a faith in them, but so far as the administrative side in this Bill is concerned, it is not expected that the Chief Commissioner of Delhi or any other authority under whom these declarations will be made would be the proper persons to be approached by way of an appeal. Under the English law, undoubtedly there is a very great scope so far as the City of London is concerned to make developments, but they are consistent with the conditions prevailing there. Under the English Act, care is always taken to see that the people are not put to any very great trouble and inconvenience. But here we find that not only the land will not be acquired but a declaration will be made for the control of the property of the people up to the extent of 1,320 feet from the middle of any road on each side, whereas in England it is not like that. It is only up to 220 feet there. If the Government gets this power under this Bill, it is sure to affect the value of the property to a very great extent. Not only will it affect the value of the property but it will be a great impediment in the way of making any buildings or any kind of construction on the land by the proprietors themselves. I also find that even those amenities that are given in other civil stations, such as, Calcutta and Bombay, will not be given under this Bill if its provisions remain as they are. But I hope, as I said in the very beginning, the Honourable Member in charge of the Bill will look into these provisions and see that these difficulties are removed. As I said, not only the Improvement Trust Act but also the Delhi Expansion Scheme could be taken up to meet Government's needs. Now, Sir, when a declaration will be made, the proprietors of the land will approach the authorities under the provisions of this Bill but they will not have those facilities which they could have under the Improvement Trust Act or other enactments. It will spoil the chances of the people if they want to sell out their property or to do some sort of work on their own lands. I admit that in the suburbs of Delhi there are some excavations or brick kilns which might be spoiling the beauty of the city, but Government could easily stop those things either by some notification under some Act or by means of acquisition. But the great pity is that under this Bill Government are not prepared to acquire as under the Land Acquisition Act nor are they prepared to pay even the compensation. Therefore, I hope that the amendments of which notice has been given will be accepted by the Government to a great extent.

I do not want to enter into the discussion on the clauses at present as we have got amendments. Still, I must say this that so far as the

judicial courts are concerned, Government by its own action should not show that they are to be distrusted. In the judicial courts the public has a very great confidence and, therefore, I hope Government will try its best to create more confidence in them rather than leave the matter in the hands of the administration.

Qazi Muhammad Ahmad Kazmi (Meerut Division Muhammadan Rural) Mr President, Sir, at the outset I want to thank the Government and the Honourable Member for having tried to meet us to a certain extent and to have accepted some of the amendments. Looking at the Opposition that we have in the House at present, this action of the Government really deserves our thanks. At the same time I feel that it is my duty to place before the House full facts and my own impressions about this Bill as to why this Bill has been brought and why I feel that this Bill is not necessary at all. Before taking up the Bill itself, I want to make it clear that I am in full sympathy with the objects and reasons as disclosed in the Bill itself. I do not want that there should be any excavations round about the roads near Delhi which would prove an impediment for the future development of Delhi. I do not want that the constructions and buildings on the roads outside Delhi should be cramped and should disfigure the beauty of Delhi. At the same time, before trying to achieve these objects, we have to see whether there is any power which the Government can utilise for the purpose. In the Statement of Objects and Reasons it is stated

"At present there is no legal power to control building development along main roads in the Delhi Province outside the Delhi and New Delhi municipal areas."

Now Sir, I differ from that. I maintain that there is already a law by which the Government can regulate the development of Delhi. Delhi is a very strange place. Here the Governor General, according to an Act of 1912, has got extraordinary powers of applying any laws to this land, with any modification, with any changes he likes. In regulating the improvement of the City of Delhi, they have adopted the Town Improvement Trusts Act of the United Provinces with certain changes. They have also made applicable to Delhi some portions of the Town Improvement Trust Act of Rangoon, as well as of the Town Improvement Trust Act of Calcutta. This Town Improvement Trust Act does apply to areas beyond the limits of the Municipality or the Notified Area. I have got a copy of the Delhi Improvement Trust Act and I would point out to the House that on page 8 of that book they have got a schedule to which the Town Improvement Trust Act applies. In the Schedule they say "(I) (1) the Municipality of Delhi (2) the Municipality of New Delhi, (3) the Civil Lines Notified Area and (4) the Fort Notified Area Committee (II) The following Revenue Estates or Mahals or such portions of them as are not included in the Municipalities and Notified Areas hereinbefore mentioned". In that area which is beyond the municipal limits of Delhi, they give, on the one side, as far as Wazirabad which is about six to seven miles from Delhi, on the North-East they give a place Bhalaswa Jhangarpur which is about seven miles and on the Southern side, they give Okhla which is about seven miles. That is up to about seven miles on the North and seven miles on the South, they have already got jurisdiction under the Town Improvements Act which they can control according to the provisions of this Act. So, really the necessity for this Act does

[Qazi Muhammad Ahmad Kazmi]

not arise I may also mention for the information of the House as to what are the reasons which are lurking in my mind for opposing this new power that is proposed to be given to the Government. My own impression is that the Improvement Trust Act has not succeeded in really developing the City of Delhi and it is not working on proper principles, and because it is not working on proper principles, therefore it finds it necessary to control the area which is situated not only outside the limits in which it can exercise its control, but inside the limits which are under its jurisdiction.

Sir, in the Improvement Trust Act, there are two sections which I would like to refer now. They are sections 30 and 32. Section 30 (1)

"In regard to any area to which this Act is extended, the Trust may, from time to time, prepare a scheme of proposed public streets with plans showing the direction of such streets, the street alignment and building line on each side of them, their intended width and such other details as may appear desirable."

Section 32 says

"(1) Whenever the Trust is of opinion that it is expedient and for the public advantage to control and provide for the future expansion of a municipality or Notified Area in any area to which this Act is extended the Trust may frame a scheme (to be called a 'town expansion scheme')."

(2) Such scheme shall show the method in which it is proposed to lay out the area to be developed and the purposes for which particular areas are to be utilised'

I come to sub-section (4) of section 32

"When any such scheme has been notified under section 42, if any person desires to erect, re-erect, add to or alter any building or wall within the area comprised in the said scheme, he shall apply to the Trust for permission to do so."

Sub-section (5) says

"If the Trust refuses to grant permission to any person to erect, re-erect, add to or alter any building or wall on his land in the area aforesaid, and if it does not proceed to acquire such land within one year from the date of such refusal, it shall pay reasonable compensation to such person for any damage sustained by him in consequence of such refusal."

I want to draw the attention of this House particularly to this sub-clause. Either they give permission for erecting the construction and if they do not give permission, then they have to refuse permission and they will have to acquire land within a year and if they do not acquire the land within a year, then they will have to pay compensation.

Now, Sir the question is whether the Improvement Trust Act can impose conditions on buildings. Section 49 of this very Act provides

"The provisions of sections 102, 114, 116, 118, 130 to 136, 140, 169, 170-A to 172, 176 and 182, sub-sections (1) and (2) of section 189, sections 191 to 196 and Chapter XI of and of any bye laws made by the Municipal Committee or Notified Area Committee under the Municipalities Act shall, so far as may be consistent with the tenor of this Act, apply to all areas in respect of which an improvement scheme is in force."

Mr. President (The Honourable Sir Abdur Rahum). Is it the Honourable Member's argument that this Bill is unnecessary, and that the provisions in this Bill are covered by the Improvement Trust Act, and, therefore, the present Bill is unnecessary?

Qazi Muhammad Ahmad Kazmi: Exactly.

Mr. President (The Honourable Sir Abdur Rahim) Then, the Chair does not understand if they have the power under the Improvement Trust Act, why they should bring this measure

Qazi Muhammad Ahmad Kazmi: I shall briefly explain why the present Bill is not necessary and it is open to the House and to the Government to criticise my submission. I maintain that under the Improvement Trust Act, they have got every power now and that they have not only got this power, but they have got the further power of extending the Improvement Trust Act beyond the present limits to any areas they like. There is no question of Municipality, or Notified Area Committee or anything of the kind.

Mr. Lalchand Navalrai (Sind Muhammadan Rural) In fact to the whole Province.

Qazi Muhammad Ahmad Kazmi: Yes, of course, because section 7 of the Act of 1912 is there. They can impose any Act on the province of Delhi with or without modifications. This is the power which the Governor General possesses.

Mr. President (The Honourable Sir Abdur Rahim) Does the Honourable Member suggest then that if the present Bill is passed into law the two Acts will conflict?

Qazi Muhammad Ahmad Kazmi: My argument is this, that they have already got powers under that Act and this Act gives them greater powers than that Act. That Act provides certain amenities of life to the inhabitants of the City and the powers of the Government under that Act are more restricted. Now, the Government are trying to pass an Act which gives them greater powers *minus* the liabilities to provide amenities of life to the inhabitants of that area. So the House has to consider whether this Act should be passed at all depriving the inhabitants of the amenities which they are entitled to expect.

I have said, Sir, that the Improvement Trust has got power to regulate constructions outside the city of Delhi. It can be extended to the whole province of Delhi and they can stop any constructions they like. But the stopping of constructions under the Improvement Trust Act is not arbitrary. I read out section 49 of the Improvement Trust Act. It empowers the municipality to impose the same restrictions on construction as can be imposed by the municipality or the town area committee. We know that the Town Area Committee and municipality are meant not for stopping constructions but for regulating them, and, therefore, the conditions that are provided in those Acts are quite reasonable though they may be hard in some cases. The present Bill, as it is introduced, does not give any indication as to what would be the restrictions and conditions under which the authority, i.e., the Deputy Commissioner, would give permission for making construction. That is, he will have greater power under the present Act and can stop any constructions by imposing impossible conditions. Even if this Bill is passed Government may kindly consider the position of the inhabitants and the things they are afraid of so that they may not occur. I heard of a scheme recently that they would allow constructing one home only in an area of 12 acres of land. If such a condition is imposed . . .

An Honourable Member: Palaces will be built ?

Gazi Muhammad Ahmad Kazmi: I think the Viceroy's palace also does not command 12 acres of land. There may be certain other conditions, e.g., that you will not be allowed to make this construction unless you contribute to the drainage scheme which will cost seven lakhs, because they are not in a position to undertake that drainage scheme yet; and therefore you will have to stop construction.

I will state the reasons why I have got these suspicions in my mind. It is on account of the behaviour of the Improvement Trust. The Improvement Trust, as I said, has got two ways of working out schemes. It can work out its own schemes by acquiring the land and by making roads, parks, and the places that are left after these roads and parks are made it can re-sell to the public. And Honourable Members may have read only recently that in one place which they called Husan Bazai or Husanganj which is being constructed, the bids for the premium for land which the Town Improvement Trust has received is Rs 45-8-0 for a square yard. Probably they may give a rupee or two per square yard for compensation to the people from whom the land was acquired, and they are getting such a nice price. So the Improvement Trust can really make considerable profit only by acquiring land marking spaces for roads and parks and reselling the next of the land at the highest bid to people who want them. The other scheme that they can adopt is to make plans and in those plans they can show the roads and parks that they want for the public and allow the owners and proprietors of other pieces of land to make their own constructions subject to the payment of a certain betterment fee. This provision is really a very useful one. And I, personally, would like that this provision should be extended to all the areas round Delhi. You make the plans and the scheme and you say you have to incur so much expenditure in carrying out the scheme and the adjoining property will be improved by this. Therefore, every person who wants to make any construction on his own land within the area which is specified for that purpose shall have to pay so much betterment fee. But this scheme cannot bring to the Improvement Trust the large amount of money that they can get by acquiring the land, laying out things and reselling it to the public, and this is a consideration which is working in the mind of the Improvement Trust in Delhi. They cannot make up their minds as to whether they should acquire the land or whether they should make a plan and let the people develop the construction of the houses and develop the residential area themselves. On this point there have been specific complaints by the people who are inhabiting Delhi and with the permission of the House I want to read before the House the complaints about one or two schemes by which the House will understand.

Mr. President (The Honourable Sir Abdur Rahim) Any complaint against the Improvement Trust is not relevant here at all. This is a new scheme. If the Honourable Member says this is unnecessary, that is a different matter.

Gazi Muhammad Ahmad Kazmi: My position is that under the Improvement Trust Act they have got certain powers. On account of the

restriction of powers under that Act they find that they cannot properly control development. Therefore, they do not want to extend the Improvement Trust Act but want to have uncontrolled power in their hands to stop any developments or any constructions. For that purpose I have got to show that under the Improvement Trust Act they are not carrying out their duties properly.

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member cannot go into that. He must confine himself to the provisions of this Bill.

Qazi Muhammad Ahmad Kazmi: I only want to say that the main complaint that they have got regarding the working of the Improvement Trust Act is this that

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member must not go into that. The Improvement Trust is not on its defence here.

Qazi Muhammad Ahmad Kazmi: I will say that the Improvement Trust is at the basis of this Bill being introduced here.

Mr. President (The Honourable Sir Abdur Rahim). As the Chair understands it, the Honourable Member's complaint is that wider powers are being given under this Bill than under the Improvement Trust Act. The Honourable Member should confine himself to the provisions of this Bill.

Qazi Muhammad Ahmad Kazmi: Well, Sir, leaving the complaints against the Improvement Trust aside, let us see what the provisions of this Bill are. Any scheme that has to be proposed for controlling development contemplates actual planning of the place before controlling any development. To make my meaning clear I will say that before you can say that there would be orderly development outside the city of Delhi you will have first to make a plan as to how that orderly development will come into existence you must make plans for all the roads outside the city of Delhi and indicate in those plans the roads that you propose to make, and the parks that you want to leave for the public, and the land that is to be built upon by the public at large. You have got to prepare plans and without a plan there can be no control of constructions of buildings on any area. This Bill contemplates restriction of buildings but it does not contemplate planning. I say that without planning any attempt to control development would only be stopping development because if I apply to the authorities that I want to construct a house on such and such a land that belongs to me, the authorities do not know whether the house that I propose to construct will lie on a road or on a future park or in a future residential place, and it will think twice before giving me sanction. It would like to stop me and say "Please do not put any construction there". Even if it gives me permission, it will try to impose certain conditions which would cause me such financial burden that I cannot meet it. So I say that any Act intended to control development must contemplate a planning authority and must contemplate planning. The planning must come first and the control can come only

[Qazi Muhammad Ahmad Kazmi.]

afterwards In this Bill the main thing missing is the planning authority This Bill is claimed to have been prepared on the basis of the English Act The English Act came into force or rather it was passed on the 2nd August, 1935 I do not know what the conditions outside Britain and India are, but there appears to be no other Act like this in force anywhere else It is only five years after this Act came into force in England that it is tried to be applied to India The conditions in India are absolutely different, and I maintain that it is not yet time for the Government to apply that Act to India

Again, Sir, if you apply that Act to India, you will have to follow the provisions of that Act, just as I have said that a planning authority and a planning scheme is necessary before any control over development can really be exercised If you look at sections 6, 7 and 8 of the English Act—I shall not bother the House by reading the sections, but shall merely refer to them—you will find that some kind of planning is contemplated by that Act There is a planning authority—it may be independent of highway authority which controls the roads and which would give you plans I, therefore, say, that if you wish to pass this Act in its present form such provisions must be incorporated in this Bill There is one great defect in this Bill According to the English Act, if any area is declared to be a controlled area, any person living in that area has got a right to apply for compensation on account of such declaration, as his interests in the land within that area might have been 'injuriously affected' These are the words of the Act itself In the Bill now before us no such compensation is allowed Not only that, but even if certain restrictions are laid on construction, which are so impossible as to render the construction of the house itself an impossibility, the person who has suffered will not be entitled to any compensation under this Bill The laying down of any impossible conditions would not render the Government liable for any compensation It is only in case of absolute refusal that a person is entitled to some compensation, and what I am afraid of is that any authority which exercises powers under this Bill, if it is not in sympathy with the public and has not got in mind the real interests of development but only looks to the interests of the Improvement Trust, can impose conditions by which the victim would not be entitled to any compensation, because it may say that it does not refuse the right of construction, but only lays down certain conditions to be followed I say that in the present Bill the provisions of the English Act regarding compensation should be embodied

Thirdly, I would indicate that certain provisions which are already in force under the English Act have been changed and modified here, the area which the Government wish to exercise control here is considerably wider than is contemplated by the English Act Under section 1 of the English Act, the restriction can go only to the proposed width of the road itself the proposed width of the roads, according to the schedule of the Act, can be 160 feet So, the utmost that the authority can control is the construction of buildings 80 feet from the middle of the road on both sides But in section 2, which is meant for the improvement of frontages, they have provided that the controlling authority can acquire and control construction up to 220 feet from the middle of the road For the 220 feet in the English Act, the substitution that has been made in this Bill is not even of 220 yards but of 440 yards or 1320 feet This is really going

too far, and I think that the Government, in the same way as they have reconsidered other aspects of this Bill, will reconsider their decision as to whether it is necessary for them to require such a large area for controlling frontage as 1320 feet—*i.e.*, two furlongs—on one side and two furlongs on the other.

I do not wish to lay before the House many other matters which can more properly be discussed on the consideration of the clauses. But I once more want to bring to the attention of the House and of the Government this point—what are these roads and areas for which you want to extend this Act? I have already submitted that we have gone up to Wazirabad—7 miles on the north. Then the only road which is not covered by the Improvement trust is the Kutab Road. Even there, up to Sardar Jang we have got the Notified Area Committee of the municipality, and in Kutab we have got a Town Area Committee of Mahrouli. So the distance to be covered, which is not covered by the actual existing municipalities and notified areas, as Sir Yamin Khan points out, is three miles or at the most four miles. For these four miles do you want an Act like this? I do not think it is contemplated by the Government to enforce this Act beyond the boundaries of the Kutab on the other side also. I think it could not be done.

Mr. J. D. Tyson (Secretary, Department of Education, Health and Land) So far as brickfields and excavations go, we intend to enforce it all over the province of Delhi.

Qazi Muhammad Ahmad Kazmi: I said in the very beginning of my speech that so far as excavations or brickfields are concerned 12 Noon I am prepared to concede to the Government not only the roads that they are proposing, but even ten miles further from the place from which they are contemplating in this Act. I understand that any excavations that are to be made are bound to spoil the land, because those places are bound to develop into ponds and will be infested with mosquitoes and make the place almost uninhabitable. I have not the least hesitation in Government controlling all areas throughout the Delhi province if they will not themselves suffer from lack of bricks. Probably, the Government themselves, and specially in these days when they have got large building programmes in hand, will suffer for want of bricks. So I do not want them to stop excavations. What I press for is that there should be no stoppage of development.

I may now summarise my position. My position is this. I have a little sympathy for the Bill. I am prepared to give control to Government for stopping excavations round about Delhi to any extent which they consider reasonable,—the reasonableness of the thing will depend on them. But what I want is that in areas which they want to control in the name of regulation of development, there should be no possibility for abuse of power. They must be according to law be bound to give sanction for the construction of buildings according to regular plans. They should not be in a position to impose restrictions so as to make the construction of buildings financially an impossible task. They must reduce the area on which they want to have the control, and then they must work out this Act in the spirit in which they may keep the interests of the public at

[Qazi Muhammad Ahmed Kazmi]

heart and not take lessons from the conduct of the Improvement Trust which is doing havoc in the city With these words, Sir, I support the motion

Maulvi Muhammad Abdul Ghani (Tirhut Division Muhammadian) Sir, this is a new legislation

Mr. President (The Honourable Sir Abdur Rahim) Will the Honourable Member please speak up?

Maulvi Muhammad Abdul Ghani: This is the first legislative measure in India to put restrictions on the development of land, and this measure is being hurried through Sir, we have been given very little time to consider all aspects of the measure However, at the very beginning when the Bill was being referred to Select Committee, I raised my voice and expressed my own suspicions about the treatment of religious places When the Bill went to the Select Committee, certain things were amended, but some doubts remained to be cleared, and so I have tabled a few amendments which will in due course be moved I simply want to point out the fears of Mussulmans having regard to the actions and behaviour of certain persons in power in Delhi and New Delhi, because they pay more attention to devastation than to improvement There is a considerable scope for development and improvement in Delhi, but they are always anxious to acquire religious places and to demolish and level down graveyards and other things Sir, this is a city which has been for many centuries under Muslim rule, and there are innumerable graveyards, *Imambaras*, mosques, temples and other religious buildings The other day our Honourable Deputy Leader of the Muslim League Party pointed out when speaking on the Finance Bill that the Improvement Trust acquired 32 buildings of the mosque and graveyards variety, and the Chief Commissioner of Delhi became the owner of those properties and those buildings have been leased to the Secretary of the Jama Mosque That, however, has been cancelled by the committee of the Jama Masjid, but they are still in the dark as to why permission to repair the religious places or to whitewash them has been refused As for instance, I read a letter from the Lands and Development Officer in Delhi A petition was sent to them for the ordinary repair

Mr. J. D. Tyson: Is this in any way relevant, Sir?

Mr. President (The Honourable Sir Abdur Rahim) The Chair really cannot follow the Honourable Member Will the Honourable Member speak up The Chair cannot follow him

Maulvi Muhammad Abdul Ghani: I was submitting to you, Sir, that persons in power here, instead of making improvements, are fond of ruining things, particularly religious buildings and graveyards, and I was submitting further that even permission for carrying out ordinary repairs or even for whitewashing such buildings has been refused, over and above the fact that religious buildings have been acquired and given on lease to a certain committee I may here warn the Government that such kind of attitude on the part of their officials and subordinates is not at all tolerable

Mr. President (The Honourable Sir Abdur Rahim) The Honourable Member should confine himself to the Bill

Maulvi Muhammad Abdul Ghani: Having regard to these fears I drew the attention of the authorities and brought some amendments I hope the Government will sympathetically consider the amendments as they are not going to lose anything, but, on the other hand, Muslims and Hindus will be benefited as their religious feelings and susceptibilities won't be wounded further With these few words I support the motion

Sir Muhammad Yamin Khan (Agra Division Muhammadian Rural) When I was listening to the speech of my Honourable friend, Mr Kazmi, I thought that he was opposing the Bill, but to my surprise and great pleasure he said that he supported the consideration of the Bill I do not know what grounds he gave for supporting the Bill, but when he summarised his points, he said that he was in support of consideration of the Bill That is very satisfactory

What made me to speak is this the Government, in spite of their great majority here, have been very conciliatory in this Bill and none of the amendments would have been agreed to if the attitude of the Government had not been to accommodate the wishes of non-officials in this House I must really congratulate Government on this attitude which they showed It is an act of statesmanship to carry the House with them, even when there is a large majority behind them That will give a lesson to the other side to be reasonable when that other side is in greater power and the Government is in the same position as we are today This Bill had objectionable features which the Government realised should be eliminated One clause provided for security and objection was taken in the Delhi province that it would act very harshly The Deputy Commissioner might ask for a very big security, and again, the clause provided for a penalty So, the Government agreed and the Select Committee has done away with the provision requiring deposit of security and they leave the clause dealing with penalty in a modified form, to the great relief of the persons concerned

The second thing which has been done—my Honourable friend, Mr Abdul Ghani, also has alluded to it—is this There was a great danger of places of worship being affected if they were not excluded, because the Bill, as it originally stood, did not take that into consideration Government very gladly agreed to put in a provision in clause 15, which gave protection to this kind of buildings altogether If it is felt that the phrase "places of worship" is somewhat ambiguous and some places may not be covered at all, that is going to be clarified by certain amendments which have been proposed, and I understand that the Government are willing to meet the wishes of non-official Members in this respect also That will greatly improve the Bill and there will be no danger of any kind for a misinterpretation of the intentions of the Legislature One point was raised whether the man who is going to be affected can claim compensation or not I do not know how Mr Kazmi said that there is no provision in the Bill for a person to claim compensation If he looks at clause 7, sub-clause (2), he will find that the man can claim compensation if the permission is not given to him There is a certain impression outside this House that this measure will work very harshly I was myself of that opinion and thought that this Bill was not a desirable one as it was going

[Sir Muhammad Yamin Khan]

to give a lot of power to Government and there was a likelihood of its misuse. But when I went through the whole Bill carefully, I found that it could be improved and those apprehensions could be eliminated. And the Bill has been accordingly improved in the Select Committee.

Dr. P. N. Banerjea (Calcutta Suburbs Non-Muhammadan Urban)
You were a Member of the Select Committee?

Sir Muhammad Yamin Khan: Yes I think, as the Bill stands, with the few amendments which the Government are going to accept, no apprehension will be left as regards its misuse, because the Deputy Commissioner's decision will be appealable to the Chief Commissioner. Formally, papers were to go to the Chief Commissioner and he would pass such orders as he thought fit, but the Select Committee has added the words "and shall hear any parties applying to be heard". That safeguards the interests of those whose case may have gone in default. The objection taken was, once the Deputy Commissioner passes an order the Chief Commissioner will probably go by the same order without paying much attention. But when he has to hear the parties I am sure he will give an independent judgment rather than be led by the Deputy Commissioner's decision. I think that this Bill, if it is taken into consideration, will do no harm and I support the motion.

Pandit Nilakantha Das (Orissa Division Non-Muhammadan) Sir Muhammad Yamin Khan has given such a good certificate practically to his own work done in the Select Committee that it is inconvenient for me to say anything against it.

Sir Muhammad Yamin Khan: You know I do not give certificate easily.

Pandit Nilakantha Das: When I speak, I remember, if not the sporting offer, the sweet reasonableness which has been offered by my Honourable friend, Mr. Tyson, and I expect a good number of the reasonable amendments will be accepted in the course of discussion clause by clause.

Dr. P. N. Banerjea: That we do not know.

Pandit Nilakantha Das: But this Bill is, as my friend, Mr. Abdul Ghani, has said, a new Bill for controlling land in any part of India in this manner. The control is absolute and no proper reason has been given for so wide and absolute control. The title of the Bill says that it is for purposes other than agricultural. It may mean anything. The purpose has not been defined and this precludes any party who may appear either before the Deputy Commissioner or before the Chief Commissioner from setting forth any arguments in favour of their rights. Had the object been specifically mentioned there would be some standard by which one could know whether the grounds of refusal or the conditions imposed were reasonable, but when the object is so wide, one does not know what will happen either in filing the objection or in filing the appeal. Then again, this is a Bill which has been framed in imitation of an English Act, The Ribbon Development Act of 1935. There it is an Act of Parliament and I may call it a democratic Act. Here though it is going to be

an Act of this Legislature, powers given may be so interpreted that the Act may be construed to provide for some executive action only. Neither the Deputy Commissioner nor the Chief Commissioner is a judicial official. They have got their administrative duties and in controlling the lands in the Delhi Province, they may simply exercise their administrative functions and in this Bill there is no provision for any man going to any civil court or judicial authority for proving either the grounds of refusal for building, etc., or even the conditions imposed to be unreasonable. So, this Bill only provides for some executive action and I may say, in that sense, this Bill is autocratic.

Mr. J. D. Tyson: That is the English Bill. There is an appeal to the Minister.

Pandit Nilakantha Das: There the Minister is a responsible man. Then there are two things given in the Statement of Objects and Reasons. One is development of road and roadside areas. That is the first paragraph and then comes the control of brick kilns, etc., which may breed malaria mosquitoes and things like that. These are the two objects. The first object, I think, covers the second one. If you are to develop roads and roadside areas, you develop the town and in that development, forbidding these brick kilns and other ditches and things like that may well be covered. But when you speak of development of roads, I cannot understand why the Bill provides for a land quite half a mile broad. My friends say there is only four miles between Safdarjung and Kutub, which may come under this Act, and half a dozen roads will cover the whole area. Nowhere else, probably so far as I know, are frontages of roads and roadside areas so wide, as is contemplated here. As has been said in this House, under the English law, it is only 220 feet from the middle of the road and here it is full 1320 feet. It should be explained why such a wide area is contemplated. Neither the discussions in this House nor in the Select Committee have yet enlightened us as to why Government want so wide an area for the roads. Outside this area required for the roads, of course there is no objection if brick kilns and things like that are controlled. That is all very good, but explanation must be demanded why half a mile broad an area is required for a road as is required perhaps nowhere else in the world. I should like to have some illustration in some other town in the world where in the name of development so wide an area has been required.

Then again, without any plan for any road or development the lands are going to be controlled. Before giving the plan even for that half mile road, lands may be controlled in advance. Surely in this provision there is a great deal of arbitrariness. Plans must be published before any control should be exercised. I may remind the House that for the Delhi province it has been provided side by side with the formation of the province in 1912 that any Act of any Legislature can be extended *mutatis mutandis* to the Delhi province by an Executive Act. That Act will not be required to be discussed in this House. The object evidently was that in other parts of India there are representative bodies, the legislative bodies, and they discuss those measures before they are passed. In Delhi there is practically no representation and the little representation that there was is, unfortunately, not here today, and we are going to rush through this Bill. I appeal to my friends on the other side that they should be quite alive and alert to the responsibility now imposed on them on account of this fact.

[Pandit Nilakantha Das.]

One good thing will accrue from this Bill and that I must mention. Thus will discourage all speculation in land and this will probably help the agriculturist. That is the only aspect which is very good. If the Bill is modified and if Government accepts all the modifications that are suggested and if the sweet reasonableness which has been offered really prevails, we still expect to have a very good Act and, therefore, I support the motion that the Bill be taken into consideration.

Honourable Members: The question be now put.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That the question be now put."

The motion was adopted.

Mr. J. D. Tyson: Sir, I have heard with amazement not untinged with incredulity the speculations of my friend, Mr. Muhammad Ahmad Kazmi, as to the source from which this Bill has sprung and as to the grandiose ideas which will underlie the schemes to be developed under the Bill. I have heard an old phrase "two acres and a cow" but I have never heard in this connection or in any other connection or even in connection with this Bill of "12 acres and a building". There have been a considerable number of criticisms on points of detail of the Bill. I do not propose at this stage to refer to those because there are specific amendments with which we shall have to deal in due course and some of them, I have no doubt, will be accepted when they come up. I should rather confine myself at this stage to dealing with one or two broad issues that have been raised, particularly the suggestion that powers already existed which could have been utilised to give us the control that we want without recourse to fresh legislation. In that connection, reference has been made to the Delhi Laws Act. I am not quite sure whether Mr. Das, who has just spoken, considers that we should have used that Act or that we should not have done so. It seems to me that the more democratic course is to produce a Bill on the floor of this House and not to adopt without reference to this House provisions of law taken here, there and everywhere from all over India. Leaving that aside, however, I would remind the House that this is the first measure of its kind in India and even had we wished, we could not have adopted from any province the provisions that we are introducing in this Bill. The Delhi Laws Act only enables us to adopt sections from the existing laws.

We have powers under the Improvement Trust Act, that is the United Provinces Towns Improvement Act as applied to Delhi, and, with the Improvement Trust Schedules, we already apply that Act to certain areas outside Delhi. We did consider whether that Act gave us sufficient powers without coming to the Legislature with a Bill, and we came definitely to the conclusion that that Act was not sufficient. It is only where the Trust is in a position to frame a scheme for a compact area that the powers under that Act can be used. They cannot be used to control sporadic buildings here and there over a wide area and that is, of course, what we are afraid of outside Delhi. Trust schemes for areas outside municipal limits, again, of the description to which my friend, Mr. Kazmi referred, must be designed with a view to the expansion of the municipality.

or the notified areas, and no such schemes can be contemplated unless you are intending to extend your municipal or notified areas. It is out of the question, I think, for schemes to be drawn up under the Delhi Improvement Trust Act which would cover long strips of road and roadside lands, without any reference to the use of the land behind those narrow strips, with a view to them being brought within a municipal area or a notified area. We did not find, Sir, that the Improvement Trust Act gave us the powers that we require. Before I leave the Improvement Trust Act, I would say this, that it seemed to me that my Honourable friend, Mr Kazmi, in one breath asked us to apply the powers under the Improvement Trust Act and in another breath, until he was cut short by your intervention, Sir, he was proceeding to criticise that Act and the use that has already been made of it.

Now, the third Act that it is suggested we could employ is the Land Acquisition Act. That we have definitely ruled out. A great deal of land was acquired at the time when New Delhi was in prospect and land has been acquired since and it is the considered opinion of Government that enough land has been acquired at present to cover the development of Delhi and New Delhi for many years to come. It is found that the unnecessary acquisition of land, besides being a very expensive thing, is very unsettling to the tenantry and we do not wish to deal with this problem, which is purely one of control, by the very expensive expedient of acquiring land that we do not want, at the expense, if I may so put it, of the peace of mind of people whom we would much rather see contentedly cultivating there. Those are reasons why we have not used those three Acts to which reference has been made. There is one other reason, that is, that, in addition to controlling building operations, we attach very great importance to taking power all over Delhi Province to control excavation and particularly brickfields. It is not sufficient, as my Honourable friend, Pandit Nilakantha Das, has suggested, to control these things in the immediate neighbourhood of roads. Mosquitoes breed anywhere where there is standing water, they have a fairly wide range of flight, and we want to take power to control them even away from the neighbourhood of roads.

Dr. P. N. Banerjea: What is the flight of a mosquito?

Mr. J. D. Tyson: Certainly over half a mile. And as reference has been made to the sources from which mosquitoes spring, I do not mind disclosing that the initial suggestions came, among others, from our Public Health Advisers, who were very anxious that we should control both brickfields and road frontages.

Syed Ghulam Bhik Nairang (East Punjab Muhammadan) So mosquitoes are at the bottom of the Bill.

Mr. J. D. Tyson. With regard to what has fallen from my friend, Mr. Abdul Ghani, I will not follow him in all his references to the fate of buildings of a religious character in the Delhi area, I would only assure him that it is no interest of ours to demolish or pull down such buildings, in fact a lot of our activities is directed towards maintaining these buildings, and if we do not maintain them as well as we should like to, it is principally because we have not the funds; but at any rate we do not destroy them. But I have every respect for the feelings which animate

[Mr J D Tyson]

Mr Abdul Ghani and I would only say that we are trying to meet his feelings, as will be apparent when we come to individual amendments. I am grateful to Sir Yamin Khan for his appreciation of our attitude generally to this Bill and for his lucid explanation of the changes made in the Select Committee. He has said that at first he was a little afraid that this might be a harsh measure, but that he is satisfied, on examination of it, that its effects will not be harsh. That also is our view. We regard it as a beneficial measure and if we have already agreed and are proposing to agree to certain amendments, it is because we wish to carry with us in support of this Bill the greatest possible measure of public opinion.

Sir, I will not detain the House for any further general points. I would only just make one very brief reference to a point which has troubled several speakers—there is a specific amendment on the subject—and that is the reason why we have sought power in this Bill to control a strip of land 440 yards from the centre line of the road when 220 ft is regarded as sufficient in England. Very briefly, as Mr Kazmi was good enough to say, "the conditions of India are absolutely different from those of England" and our Bill is also somewhat different from the English Bill.

Dr. P. N. Banerjea: More drastic

Mr. J. D. Tyson: Honourable Members who have studied the United Kingdom Act will have observed that there the control is exercised almost entirely by controlling the means of access. There is power in the Act actually for the Highway Authority to fence off the side of the road so as completely to block access and in that way it is possible to control the use to which what I might call the hinterland is put. We have not taken such drastic powers, we do not propose to take such drastic powers in the Bill to control the means of access, and even the powers that we have taken may to some extent be weakened by certain amendments that we propose to accept in the interest of the agriculturist. The truth is that we do not want in any way to hamper the agriculturist in his access to his fields, and in order not to hamper him we propose to take a certain risk here as regards our control of the means of access, but on the other hand, if we do that we feel that we must control a bigger area behind the line of the road. Sir, I move that the Bill be taken into consideration.

Mr. President (The Honourable Sir Abdur Rahim) The question is.

"That the Bill to regulate in the Province of Delhi the use of land for purposes other than agricultural purposes, as reported by the Select Committee, be taken into consideration."

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The House will now consider the Bill clause by clause. The question is

"That clause 3 stand part of the Bill"

Qazi Muhammad Ahmad Kazmi Sir, I move

"That in sub-clause (1) of clause 3 of the Bill, for the words 'four hundred and forty yards' the words 'two hundred and twenty feet' be substituted"

Sir, regarding the provisions of this particular amendment, I have already made my position clear in the motion for consideration. My Honourable friend, Mr. Tyson, has said that the conditions are different. I agree that the conditions are different, but even then I do not feel any justification for extending the control to six times what it is in England. The main object of the Bill is to improve the frontage, that there should be no bad looking building round about the road, and that there should be proper development, the idea being that it is only near the road that the people who take to construction should be controlled, but there seems to be no necessity for taking an area extending to 440 yards from the line of the road. I would again commend this amendment to the consideration of the Government, and they I hope will not consider the position in which the opposition is placed today but also will consider the reasonableness of the amendment itself.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That in sub-clause (1) of clause 3 of the Bill, for the words 'four hundred and forty yards' the words 'two hundred and twenty feet' be substituted."

Pandit Nilakantha Das: Sir, at this stage I may move my amendment—Supplementary list No. 1, amendment No. 1. My amendment gives them five feet more.

Mr. President (The Honourable Sir Abdur Rahim) Yes

Pandit Nilakantha Das: Sir, I move

"That in sub-clause (1) of clause 3 of the Bill for the words 'four hundred and forty', the words 'seventy-five' be substituted."

Sir, my wording is in harmonious symmetry with the word "yard". I have, therefore, made it "seventy-five". It is only five feet more than what my Honourable friend, Qazi Muhammad Ahmad Kazmi, has suggested. I would require some illustration somewhere of the authorities intending to control so wide an area, but we have been given no reply. We are simply told that conditions in India are different. That is a very wide thing and it explains nothing. If it is 440 yards, then it may be said that the road side area may be controlled for the purpose of health, such as malaria. Malaria breeding mosquitoes may be prevented even ten miles away under the provisions of this Bill. So, for the sake of health, you can control it at any distance. It is according to the first paragraph of the Statement of Objects and Reasons of the original Bill that the Government are trying to control lands in road frontages and road side areas and in roads. If that be the specific objective, then there is no reason why the Government should fix 440 yards which means two furlongs. On both sides it is half a mile. In England it is only 220 feet, and I should like to know if there is any reason why this large width is required. If I am satisfied, I shall be agreeable to withdraw my amendment.

Mr. President (The Honourable Sir Abdur Rahim) Further amendment moved.

"That in sub-clause (1) of clause 3 of the Bill, for the words 'four hundred and forty', the words 'seventy-five' be substituted."

Mr. J. D. Tyson: Sir, I have said already the main reason why the Government have adopted this figure, which is different from that adopted

[Mr J D Tyson]

in the United Kingdom I had better perhaps illustrate why the conditions here are different,—though I think my main argument is that we are not really controlling "means of access" here, and that is the principal method of control adopted in the United Kingdom Act I think the two sets of conditions, also, are very different We want here to give the maximum access to his fields for the agriculturist There is actually an amendment to be moved later on to exclude from the purview of this Act unmetalled roads for agricultural purposes and it is quite possible that in this country, where comparatively light buildings are often set up, for an insanitary *basti* to grow up without the aid of a metalled road giving access to it I think it would be very difficult in England to have that, for to build a slum in England you must have metalled roads as a firm means of access to take in the building material I think the conditions there are, therefore, quite different from the conditions here We, therefore, do not think that the two furlongs depth is a very great depth to which to exert control If there is no danger of buildings developing within that area, then the fact that the land is within the controlled area will not prejudice any one, and if there is any danger of building within that area, then we want to control it Sir, I am afraid this is one of the amendments on which I must remain firm

Mr. President (The Honourable Sir Abdur Rahim) The question is
"That in sub-clause (2) of clause 3 of the Bill, for the words 'four hundred and forty yards' the words 'two hundred and twenty feet' be substituted"

The motion was negatived

Mr. President (The Honourable Sir Abdur Rahim) The question is
"That in sub-clause (2) of clause 3 of the Bill, for the words 'four hundred and forty', the words 'seventy five' be substituted"

The motion was negatived

Maulvi Muhammad Abdul Ghani: Sir, I beg to move
"That to sub-clause (6) of clause 3 of the Bill the following be added at the end

'or, where the land is land occupied by or for the purposes of a mosque, *imambara*, *dargah*, *karbala*, *takya* or Muslim graveyard, if he is a Muslim'"

Sir, the necessity for this amendment arises in this way that in this clause under discussion a 'person interested' refers to person as defined in the Land Acquisition Act Person interested means—a person who is entitled to claim compensation But as regards mosques and other properties, a Muslim is not entitled to claim compensation Therefore, here the words 'Muslim' has been added and I hope the Secretary to the Department of Education, Health and Lands will accept this amendment Sir I move

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved
"That to sub-clause (6) of clause 3 of the Bill the following be added at the end

'or, where the land is land occupied by or for the purposes of a mosque, *imambara*, *dargah*, *karbala*, *takya* or Muslim graveyard, if he is a Muslim'"

Mr. J. D. Tyson: Sir, though I think the Honourable Member's arguments were addressed to his next amendment, yet I do accept the amendment he has just moved, No 7

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That to sub-clause (6) of clause 3 of the Bill the following be added at the end
 'or, where the land is land occupied by or for the purposes of a mosque,
imambura, dargah, karbula, takiya or Muslim graveyard, if he is a
 Muslim'."

The motion was adopted

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That clause 3, as amended, stand part of the Bill"

The motion was adopted

Clause 3, as amended, was added to the Bill

Qazi Muhammad Ahmad Kazmi: Sir, I move

"That after clause 3 of the Bill, the following new clause be inserted, and the subsequent clauses be re-numbered and all references to section numbers be corrected accordingly

Plans of controlled areas
 to be deposited at certain
 offices
 '4. (1) The Deputy Commissioner shall deposit at his office and at the office
 of the Municipal Committee, New Delhi,
 and at such other places as he considers necessary, plans showing all lands
 declared to be controlled areas for the pur-
 poses of this Act, and setting forth the nature of the restrictions appli-
 cable to the land in any such controlled area

(2) The plans so deposited shall be available for inspection by the public free
 of charge at all reasonable times'"

Sir, I submitted in my speech on the consideration motion that a planning authority is necessary. There can be no proper control of development without plans being ready with the authority who wants to control the development. There is no provision in the Bill for a planning authority, but whoever be the authority it must be ready with the plans before it can exercise any control. It is with this view that I want this clause to be inserted which will make it necessary for the Deputy Commissioner to have plans of the things he wants to control and to keep those plans ready for inspection. Sir, I move

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved.

"That after clause 3 of the Bill, the following new clause be inserted, and the subsequent clauses be re-numbered and all references to section numbers be corrected accordingly

Plans of controlled areas
 to be deposited at certain
 offices
 '4. (1) The Deputy Commissioner shall deposit at his office and at the office
 of the Municipal Committee, New Delhi,
 and at such other places as he considers necessary, plans showing all lands
 declared to be controlled areas for the pur-
 poses of this Act, and setting forth the nature of the restrictions appli-
 cable to the land in any such controlled area

(2) The plans so deposited shall be available for inspection by the public free
 of charge at all reasonable times'"

Mr. J. D. Tyson: Sir, I am willing to accept this amendment

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That after clause 3 of the Bill, the following new clause be inserted, and the subsequent clauses be renumbered and all references to section numbers be corrected accordingly

* 4. (1) The Deputy Commissioner shall deposit at his office and at the office

Plans of controlled areas
to be deposited at certain
offices
of the Municipal Committee, New Delhi, and at such other places as he considers necessary plans showing all lands

declared to be controlled areas for the pur-

poses of this Act and setting forth the nature of the restrictions applicable to the land in any such controlled area

(2) The plans so deposited shall be available for inspection by the public free of charge at all reasonable times."

The motion was adopted

New clause 4 was added to the Bill

Original clause 4 was added to the Bill.

Mr. President (The Honourable Sir Abdur Rahim) The question is

"That clause 5 stand part of the Bill'

Qazi Muhammad Ahmad Kazmi: Sir, I beg to move.

"That to sub clause (2) of clause 5 of the Bill the following proviso be added.

'Provided that

(a) permission for the erection or the erection of a building shall neither be unreasonably withheld nor made subject to unreasonable conditions, and the conditions imposed shall in no case exceed the restrictions provided by the Bye-laws of the Notified Area Committee Civil Station, Delhi, for the time being in force

(b) Permission for laying out means of access reasonably required for any purpose shall neither be unreasonably withheld, nor made subject to unreasonable conditions, and in the case of means of access required for agricultural purposes shall neither be withheld nor be made subject to any conditions save such as may be necessary for securing that the means of access shall be used for agricultural purposes only"

I have submitted already that the chief thing that we are keen upon in this Bill is that the power of the authority should not be uncontrollable in preventing constructions and developments of the city in the controlled area. The present Bill does not lay down the restrictions and also does not say how the local authority will act before permission is granted to the construction. I have, therefore, proposed this new clause. The first part relates to restrictions. I have submitted that municipalities, notified areas and other bodies, whenever they control development or control the construction of buildings provide certain amenities of life. In this case no amenities of life are being provided for the public and only control is being obtained. So the nature of restrictions must naturally be much less than is to be imposed either by the Town Area Committee or by the Municipal Committee. But in the proposed clause I have given the Government or the Deputy Commissioner such power as they have got under the Town Area Committee Act. I have said that the nature of restrictions that can be imposed on the construction of any building shall in no case exceed the restrictions that can be imposed by the Town Area Committee in New Delhi. Now, Sir, New Delhi is an urban area developed on lines which are considered to be ideal by Government, and we do not think that any restrictions that would be valid restrictions under the Town Area Act of New Delhi will not be sufficient for the purpose of developing an area outside

Delhi As a matter of fact the restrictions outside must be much less than the restrictions that can be imposed inside the town area. But I have gone far and given Government power to regulate according to the rules of the Town Area Committee Act.

As regards the second part of the clause, I submit that it has been provided in the English Act also that permission to construct means of access to the main road will be granted without unreasonable control and without unreasonable conditions. And if we want any place for agricultural purposes it would be allowed without any conditions and without any restrictions and with as little delay as possible. So both these provisions have been incorporated in the proviso that I have proposed.

Mr. President (The Honourable Sir Abdur Rahim) Amendment moved

"That to sub-clause (2) of clause 5 of the Bill the following proviso be added

'Provided that

- (a) permission for the erection or re-erection of a building shall neither be unreasonably withheld nor made subject to unreasonable conditions, and the conditions imposed shall in no case exceed the restrictions provided by the Bye-laws of the Notified Area Committee Civil Station, Delhi, for the time being in force;
- (b) permission for laying out means of access reasonably required for any purpose shall neither be unreasonably withheld, nor made subject to unreasonable conditions, and in the case of means of access required for agricultural purposes, shall neither be withheld nor be made subject to any conditions save such as may be necessary for securing that the means of access shall be used for agricultural purposes only."

Mr. M. S. Aney (Berar Non-Muhammadan) Sir my Honorable friend has moved this amendment with a view to add a proviso to sub-clause (2) of clause 5. So far as part (b) of the proviso is concerned, I have nothing to say and I agree that there should be a proviso like that. But part (a) of the proviso is of a somewhat ambiguous nature. I really do not understand what the Honourable Member exactly means when he lays down simply that the officer should not unreasonably withhold the permission. I do not understand what directions we are giving to the officer. It is sweetly vague and in my opinion even meaningless to some extent.

Qazi Muhammad Ahmad Kazmi: It is taken from the English law

Mr. M. S. Aney: It may be that the people there are more reasonable and we are here dealing with unreasonable officers. If we really want to say that they should not do something in certain conditions, it is better to specify the conditions, but to leave it in this vague way is, in my view, not giving any tangible basis either for the officer to act upon or for the party to complain. That is one objection, in my opinion.

The second point on which I find it somewhat difficult to agree with my Honourable friend is this instead of saying what should be the conditions that should be imposed, we are leaving it to be dependent upon some other body doing it for their own purpose. The Notified Area Committee may look to their own conditions and may change those conditions in accordance with their own requirements, and we are saying here that

[Mr M S Aney]

we feel confident that the byelaws that a certain Notified Area Committee may frame for their own purposes of development of Delhi would suit us and we only want to say that whatever the conditions may be that they fix for their purpose should hold good for the purpose of granting permission and controlling buildings in this controlled area

Gazi Muhammad Ahmad Kazmi: 'shall not exceed'

Mr. M. S. Aney: That is the limit which is laid down. For a responsible House like this, it is not fair to leave matters dependent entirely upon the decision of a committee whose personnel we do not know, whose requirements may be quite different from the requirements of this particular purpose. If we think that certain conditions are necessary and we cannot frame them today, we may make a condition here that certain powers should be given to the executive authority to frame rules laying down the conditions and those rules should not come into force unless and until they are placed before this House. I could have understood a suggestion like that, that the control which this House exercises over this Act should not be relaxed, and if they suspect that its administration will depend upon the framing of certain proper conditions, then we may even go to the length of saying that such conditions as the local authority may deem necessary for the purpose of enforcing this particular clause should not be given effect to unless they are placed on the table of this House. If my Honourable friend had made some such suggestion, I think it would have been in conformity with the principle which we have adopted in some other Acts before. But this amendment as it stands is a new departure in legislation that is all I have to say. I recognise the desirability of having some conditions imposed, but to leave it in this vague way will not serve the purpose that my friend has in view.

Mr. Muhammad Azhar Ali: I think, Sir, after hearing the Government we may be able and amenable to withdraw this amendment or discuss it further. I would like the Government to give out its own mind about these amendments.

Mr. J. D. Tyson: Sir, this amendment seeks to add two provisos to sub-clause (2) and coupled with it there is a later amendment to delete sub-clause (5). Quite frankly, we very much prefer our own draft of the Bill and we cannot accept these two provisos (a) and (b) to sub-clause (2). So far as existing buildings are concerned, we have dealt with them in our sub-clause (5). There is a saving there to protect rights as regards existing buildings. As regards new buildings, we are proposing to apply this Act,—except as regards brickfields which will be dealt with all over Delhi province,—outside municipal limits. I entirely agree, if I may say so, with what has fallen from my friend, Mr Aney, that it would be misconceived to make the condition applicable to the area we have in view dependent upon the conditions from time to time in force in a municipal or notified area. Generally speaking, we think that the restrictions that will be necessary under this Act and the conditions to be imposed under this Act will be less stringent than those which are regarded as necessary inside a municipal area; but we could not bind the Chief Commissioner at this stage to any such rigid frame work.

The conditions to be laid down when permission is granted to erect a building subject to conditions will generally be of a similar nature to the conditions imposed in the municipalities but we cannot go further than that

As regards the proposed proviso (b), there again we think that that proviso, which is taken from the English Act, would be unworkable and impracticable in the conditions obtaining in the area round Delhi. We are agreeing to an amendment later which will weaken to some extent our control of means of access, and we cannot accept a proviso which would give us practically no control at all over means of access, ostensibly for agricultural purposes but possibly for other purposes. I am afraid we cannot accept this amendment.

- **Qazi Muhammad Ahmad Kasmi:** In view of the assurance that has been given by my Honourable friend, Mr. Tyson, I would not press this amendment and ask for leave of the House to withdraw it.

The amendment was, by leave of the Assembly, withdrawn.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Deputy President (Mr. Akhil Chandra Datta) in the Chair

Pandit Nilakantha Das: Sir, I move

"That in sub-clause (3) of clause 5 of the Bill, after the brackets and the figure '(2)' the words 'or refuses to grant permission under clause (b) of sub-section (2)', and after the word 'imposed' the words 'or the grounds of refusal' be respectively inserted."

This is really meant to supply an omission. I want that the conditions to be imposed or the grounds of refusal should be such as are reasonable having regard to the circumstances of the case. Even when the permission is refused the man may apply to the Deputy Commissioner or even to the Chief Commissioner. So even in the case of refusal there must be grounds which must be reasonable. This is a formal amendment merely to supply an omission. Sir, I move

Mr. Deputy President (Mr. Akhil Chandra Datta): Amendment moved

"That in sub-clause (3) of clause 5 of the Bill, after the brackets and the figure '(2)' the words 'or refuses to grant permission under clause (b) of sub-section (2)', and after the word 'imposed', the words 'or the grounds of refusal' be respectively inserted."

Mr. J. D. Tyson: Sir, yes, the omission was an intentional one, but we will accept the amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is

"That in sub-clause (3) of clause 5 of the Bill, after the brackets and the figure '(2)' the words 'or refuses to grant permission under clause (b) of sub-section (2)', and after the word 'imposed', the words 'or the grounds of refusal' be respectively inserted."

The motion was adopted.

Qazi Muhammad Ahmad Kazmi: Sir, I move
"That to clause 5 of the Bill the following new sub-clauses be added :

- (7) The Deputy Commissioner shall maintain a register with sufficient particulars of all permissions given by him under this section and the register shall be available for inspection without charge by all persons interested and such persons shall be entitled to take extracts therefrom"

These clauses are very necessary to be incorporated in the Bill, and so I move

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved •

"That to clause 5 of the Bill the following new sub-clauses be added

- (6) If at the expiration of a period of three months after an application under sub-section (1) has been made to the Deputy Commissioner no order in writing has been passed by the Deputy Commissioner permission shall be deemed to have been given without the imposition of any conditions

- (7) The Deputy Commissioner shall maintain a register with sufficient particulars of all permissions given by him under this section and the register shall be available for inspection without charge by all persons interested and such persons shall be entitled to take extracts therefrom"

Mr. J. D. Tyson: I accept that amendment, Sir

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That to clause 5 of the Bill the following new sub clauses be added

- (6) If at the expiration of a period of three months after an application under sub-section (1) has been made to the Deputy Commissioner no order in writing has been passed by the Deputy Commissioner permission shall be deemed to have been given without the imposition of any conditions

- (7) The Deputy Commissioner shall maintain a register with sufficient particulars of all permissions given by him under this section and the register shall be available for inspection without charge by all persons interested and such persons shall be entitled to take extracts therefrom"

The motion was adopted

Mr. Deputy President (Mr Akhil Chandra Datta) The question is .

"That clause 5, as amended, stand part of the Bill "

The motion was adopted

Clause 5, as amended, was added to the Bill

Clause 6 was added to the Bill

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That clause 7 stand part of the Bill "

Qazi Muhammad Ahmad Kazmi: Sir, I move .

"That in sub-clause (1) of clause 7 of the Bill, the words 'or any other' be omitted "

Sir, my idea is that wherever this Act is to be applied, it should not be applied to places where a similar Act is already in force I take it that it is not the intention of the Government to apply this Act also to such

areas where there is already some other Act similar to this in force, like the Improvement Trust Act or the Municipalities Act. If that assurance is given, I shall be satisfied and I shall not press my amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved
"That in sub-clause (7) of clause 7 of the Bill, the words 'or any other' be omitted."

Mr. J. D. Tyson: Sir, I am afraid I must oppose this amendment. This is a special Bill to do a special thing, something new, and we have provided remedies and safeguards in the Bill. If it is agreed that for the purpose we have in view in the Bill that no compensation should in specified circumstances be claimable, there can be no reason for allowing compensation to be claimed under any other Act. I think what the Honourable Member fears is that we may be intending to apply the "control of buildings" part of this Bill inside municipal areas and notified areas. We have no such intention. We are intending to apply the "excavations" part of the Bill to brickfields all over the province, but the power to declare an area to be a controlled area will not be used in municipal areas or in any area for which the Delhi Improvement Trust has framed a development scheme. I think that perhaps meets my Honourable friend's apprehension.

Qazi Muhammad Ahmad Kazmi: Also not to places for which schemes of town improvement are ordinarily in force?

Mr. J. D. Tyson: Yes, to any area for which the Delhi Improvement Trust has a development scheme.

Qazi Muhammad Ahmad Kazmi: Sir, in view of the assurance, I beg leave of the House to withdraw the amendment.

The amendment was, by leave of the Assembly, withdrawn.

Qazi Muhammad Ahmad Kazmi: Sir, I beg to move

"That the proviso to sub-clause (2) of clause 7 of the Bill be omitted."

In moving this amendment I want to bring to the notice of the Government how this clause will operate prejudicially. I am very sorry to find that Government have not seen their way to accept this amendment. The proviso to sub-clause (2) says—

"Provided that no claim for compensation may be made under this sub-section in respect of any land situated in a controlled area adjoining a road which has been constructed after the commencement of this Act or which was not at the commencement of this Act a road within the meaning of clause (4) of section 2."

I have already submitted that under the present Bill compensation is contemplated only in cases where there has been a refusal by the authorities, but none in cases where sanction is given subject to conditions—however hard the conditions may be. In case of refusal some sort of compensation is provided, but in case of future roads even that compensation will not be given. The justification that is advanced for this proviso is that, because the Government will construct a new road, therefore, *ipso facto* they will get control over the lands which are situated near about that road, and will get the power of controlling constructions on it,—not only controlling but even stopping constructions on it,—without any

[Qazi Muhammad Ahmad Kazmi]

ability to pay compensation I fail to see the justification of such a claim Because you have constructed a road near my field, therefore you have got the right to stop any constructions on that plot of mine, and you are not prepared to pay any compensation—I say the law should not be more hard in case of future roads than it is in the case of the present road When you have accepted the principle that in case of a controlled area, over the existing road, you will have a right to stop constructions provided you are prepared to pay compensation, I see no justification for saying that in case of future roads you will have the right of refusing sanction to make any constructions and still pay no compensation

The plea advanced by Government is that by constructing the road they have incurred a certain amount of expense, they have increased the value of the adjoining land and so they are not prepared to pay any compensation My contention is, if I am not allowed to construct on my land after the new road has been constructed, what increase in the value of my land would take place? It will continue to be an agricultural land just as it was before So, there would be no question of any increment in the value of the land, for constructing on which you have got the absolute right of refusing permission to me Supposing Government have incurred a certain amount of expense on the construction of the road, then they may calculate the amount that has been spent on the construction of that road, divide that amount on the total controlled area and make it a condition precedent for any person who wants to make a construction on that site, to pay the proportionate amount that comes to his area to the Government before he is allowed to make any construction Any such scheme would help the persons who are living on both sides of the roads But the present idea of the Government is that they would be making any number of roads and would get absolute control over the fields of any persons and those persons would never be entitled to any damages or any compensation in spite of the fact that constructions are refused This means a compulsory acquisition of land without payment of any price or compensation I see absolutely no reason or justification for such a hard rule—that merely because you have been kind enough to provide a road near my plot, you have got the right of absolute control over my plot of land and would not let me construct any buildings and would not be prepared to pay compensation and I would not be in a position ever to claim any compensation from you By merely making a road you get such a right which will deprive the proprietors of land of their proprietary right to deal with it as they like I see no justification whatever for this provision and I would press for its deletion

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That the proviso to sub-clause (2) of clause 7 of the Bill be omitted "

Mr. J. D. Tyson: I appreciate the point that my Honourable friend has made, that when a road is made through one of these country areas we shall have control, but I cannot agree with him that what we are proposing to do amounts to compulsory acquisition The party will still be able to use the land for the purpose that he at present uses it for Our objection to the amendment and our argument in favour of the clause, as it stands, is that ordinarily the use of the land for building purposes will

be rendered practicable only by the making of a road. It is unreasonable to require public funds to bear not only the cost of constructing the road but also the cost of compensating the person for not allowing him to build a house. This clause really is the principal line of defence against speculative acquisition of land outside the perimeter of the Delhi municipal area, and it is for that reason that I am afraid I must oppose the amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That the proviso to sub-clause (2) of clause 7 of the Bill be omitted."

The motion was negatived.

Mr. Muhammad Azhar Ali: Sir, I move

"That to sub clause (3) of clause 7 of the Bill the following proviso be added

—(I should like, with your permission, to add the figures 1894, after the words 'Land Acquisition Act', and I hope the House will have no objection to this)—

'Provided that in case the Chief Commissioner decides to acquire the land, the claimant shall be entitled to be repaid by the acquiring authority the amount of expense which he may have properly incurred in connection with the preparation and submission of his claim for compensation under this section, and in default of agreement such amount shall be determined by the authority deciding the value of the land in the proceedings under the Land Acquisition Act, 1894' "

I do not want to make a speech. I hope the Government will accept the amendment.

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That to sub clause (3) of clause 7 of the Bill the following proviso be added

'Provided that in case the Chief Commissioner decides to acquire the land, the claimant shall be entitled to be repaid by the acquiring authority the amount of expense which he may have properly incurred in connection with the preparation and submission of his claim for compensation under this section, and in default of agreement such amount shall be determined by the authority deciding the value of the land in the proceedings under the Land Acquisition Act, 1894' "

Mr. J. D. Tyson: I have no objection to that

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That to sub-clause (3) of clause 7 of the Bill the following proviso be added

'Provided that in case the Chief Commissioner decides to acquire the land, the claimant shall be entitled to be repaid by the acquiring authority the amount of expense which he may have properly incurred in connection with the preparation and submission of his claim for compensation under this section, and in default of agreement such amount shall be determined by the authority deciding the value of the land in the proceedings under the Land Acquisition Act, 1894' "

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That clause 7, as amended, stand part of the Bill."

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That clause 8 stand part of the Bill."

Mr. Muhammad Azhar Ali: Sir, I move

"That in part (iii) of clause 8 of the Bill, after the words 'as though' the words 'no declaration under section 3 (1)' had been made in respect of the area in which it is situated and' be inserted "

I must say here that during the course of our discussions with Government, we found that Government will perhaps be agreeable to it and if there is an assurance on the part of Government, I need not say anything more

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved :

"That in part (iii) of clause 8 of the Bill, after the words 'as though' the words 'no declaration under section 3 (1)' had been made in respect of the area in which it is situated and' be inserted "

Mr. J. D. Tyson: Sir, I have no objection

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That in part (iii) of clause 8 of the Bill, after the words 'as though' the words 'no declaration under section 3 (1)' had been made in respect of the area in which it is situated and' be inserted "

The motion was adopted

Qazi Muhammad Ahmad Kazmi: Sir, I move

"That part (iv) of clause 8 of the Bill be omitted "

This clause (iv) will come into operation on the acquisition of land. It is against the provisions of the Land Acquisition Act, I propose its deletion and move this amendment

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That part (iv) of clause 8 of the Bill be omitted "

Mr. J. D. Tyson: We agree to that I may say, it is a considerable concession

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That part (iv) of clause 8 of the Bill be omitted "

The motion was adopted

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That clause 8, as amended, stand part of the Bill "

The motion was adopted

Clause 8, as amended, was added to the Bill

Clauses 9, 10, 11, 12, 13 and 14 were added to the Bill

Mr. Deputy President (Mr Akhil Chandra Datta) The question is

"That clause 15 stand part of the Bill "

Syed Ghulam Bhik Nairang: Sir, Mr Ghani has become suddenly ill. He was to move Amendments Nos 22 and 23. I am moving No 28. I have submitted an amendment in my own name, identical in terms, and I trust my amendment has been circulated

Mr. Deputy President (Mr Akhil Chandra Datta) The Honourable Member can move it

Syed Ghulam Bhik Nairang: Sir, I move

"That in sub-clause (b) of clause 15 of the Bill, after the word 'cenotaph' the words 'or of a wall enclosing a graveyard' be inserted, and for the words 'such building' the words 'such place of worship, tomb, cenotaph or graveyard' be substituted."

Mr. Lalchand Navalrai: Sir, I have an amendment to clause 15 If I move it, both amendments may be taken together

Mr. Deputy President (Mr Akhil Chandra Datta) Let this be moved first

Syed Ghulam Bhik Nairang: The amendment is self-explanatory, and I do not think any explanation is needed I also expect Government to show a favourable attitude towards this amendment

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in sub clause (b) of clause 15 of the Bill, after the word 'cenotaph' the words 'or of a wall enclosing a graveyard' be inserted, and for the words 'such building' the words 'such place of worship, tomb, cenotaph or graveyard' be substituted."

Mr. M. S. Aney: The amendment which my learned friend has moved is intended to add something more to the places of worship Tomb or cenotaph—I think these words are inserted there I want to make only one point clear In the places mentioned here I do not find mention of the term 'samadhi' which is a Hindu tomb, which holds the remains of some saint or saintly person respected in the vicinity, and there are places like that

Syed Ghulam Bhik Nairang: It was thought that cenotaph would cover that.

Mr. M. S. Aney: I do not know I thought the words mentioned here are mainly identified with the tombs of Muhammadan saints and so the tombs of the Hindus may not be included in the sense of the word tomb My friend here has brought the dictionary The dictionary meaning indicates that "cenotaph" refers to some kind of construction in memoir of some man, which may not hold a dead body If that is so, the case of the Hindu *samadhi* goes by default Neither the word "tomb" may be understood to mean that nor the word "cenotaph" can be taken to represent it, but that was not the idea of the Select Committee, their idea was to include that, and no specific mention was done under the impression that it is already included in one of the terms I think it is probable that the Honourable Member would have no objection to the specific mention of the word "*samadhi*" itself there after the word "tomb" to remove any misunderstanding in this matter I would, therefore, if you permit, and if my Honourable friend the Education Secretary has no objection, like to add the word "*samadhi*" immediately after the word "tomb" That was the understanding on which the Select Committee framed the clause, but if we find that the terminology is defective, I hope he would have no objection to that addition

Mr. J. D. Tyson: Sir, we did insert the word 'cenotaph' with that idea, and I shall take no technical objection to the proposed addition

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in sub-clause (b) of clause 15 of the Bill, after the word 'cenotaph' the words 'or of a wall enclosing a graveyard' be inserted, and for the words 'such building' the words 'such place of worship, tomb, *samadhi*, cenotaph or graveyard be substituted'"

Mr. Lalchand Navalrai: Sir, I have got an amendment with regard to the wall enclosing the *samadhi* or the cenotaph, and as my Honourable friend, Mr Abdul Ghani, put in also an amendment in which he said that the graveyard and the wall enclosing it should also be exempted, and now when the word 'cenotaph' is there and it is being added to, therefore, I say my amendment wants that any wall enclosing the cenotaph or *samadhi* should also be exempted

Mr. Deputy President (Mr Akhil Chandra Datta) We are now on this amendment The question is

"That in sub-clause (b) of clause 15 of the Bill, after the word 'cenotaph' the words 'or of a wall enclosing a graveyard' be inserted, and for the words 'such building' the words 'such place of worship, tomb, *samadhi*, cenotaph or graveyard' be substituted"

The motion was adopted

Mr. Lalchand Navalrai: I should like, Sir, now to move my amendment No 3 in Supplementary List No 2

An Honourable Member Banned

Mr. Lalchand Navalrai: I do not know how it can be barred, when it is only with regard to the graveyard enclosure

Sir George Spence (Secretary, Legislative Department) May I submit to the Honourable Member should move this? The House has already adopted Mr Abdul Ghani's amendment putting in after the word "cenotaph" the words "or of a wall enclosing a graveyard". We cannot put in Mr Lalchand Navalrai's words again after the word "cenotaph". The only possibility if you permit him to do it, is—he could move to insert after the word "graveyard", "place of worship, cenotaph or *samadhi*". If you are prepared to allow him to move an amendment which might more properly have been moved as an amendment to the former amendment

Mr. Lalchand Navalrai: I agree to that, Sir I move

"That in sub-clause (b) of clause 15 of the Bill, as amended by amendment No 23, after the word 'graveyard' where it occurs for the first time, the words 'place of worship, cenotaph or *samadhi*' be added"

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved

"That in sub-clause (b) of clause 15 of the Bill, as amended by amendment No 23, after the word 'graveyard' where it occurs for the first time the words 'place of worship, cenotaph or *samadhi*' be added"

Mr. J. D. Tyson: I have no objection Sir

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is "That in sub-clause (b) of clause 15 of the Bill, as amended by amendment No. 23, after the word 'graveyard' where it occurs for the first time, the words 'place of worship, cenotaph or samadhi' be added"

The motion was adopted

Qazi Muhammad Ahmad Kazmi: Sir, I move

"That to clause 15 of the Bill the following new sub-clause be added

'(d) the construction of an unmetalled road intended to give access to land solely for agricultural purposes'"

This is only to provide access to agricultural land

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That to clause 15 of the Bill the following new sub-clause be added

'(d) the construction of an unmetalled road intended to give access to land solely for agricultural purposes'"

Mr. J. D. Tyson: Sir, we accept that amendment

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That to clause 15 of the Bill the following new sub-clause be added

'(d) the construction of an unmetalled road intended to give access to land solely for agricultural purposes'"

The motion was adopted

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That clause 15, as amended, stand part of the Bill"

The motion was adopted

Clause 15, as amended, was added to the Bill

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That clause 16, stand part of the Bill"

Qazi Muhammad Ahmad Kazmi: Sir, I move

"That after sub-clause (2) of clause 16 of the Bill the following sub-clause be added

'(3) All rules made under this section shall be subject to the condition of previous publication, which publication shall be made in the official Gazette and in at least two newspapers printed in a language other than English, and the date to be specified under clause (3) of section 23 of the General Clauses Act, 1897, shall not be less than two months from date on which the draft of the proposed rules was published'"

This amendment provides only for the publication of the rules that will come into force and I hope the Government will accept it

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That after sub clause (2) of clause 16 of the Bill the following sub-clause be added

'(3) All rules made under this section shall be subject to the condition of previous publication, which publication shall be made in the official Gazette and in at least two newspapers printed in a language other than English, and the date to be specified under clause (3) of section 23 of the General Clauses Act, 1897, shall not be less than two months from date on which the draft of the proposed rules was published'"

Mr. J. D. Tyson: I have no objection to that amendment

Syed Ghulam Bhik Nairang: Sir, may I point out, before the amendment is put, that the expression "in a language other than English" is vague. It may be Latin or Greek. It should be made clear, if possible. A word may be inserted there so that it may become quite clear.

Mr. J. D. Tyson: We cannot very well say an "Indian language other than English" although English is perhaps now one of the languages of India. I am prepared to accept the amendment as it stands. I think we shall get into difficulties if we speak about an Indian language other than English. There is a reference to two newspapers and we do not really have newspapers here in Latin or Greek or Arabic perhaps. I think the meaning is clear.

Maulana Zafar Ali Khan (East Central Punjab Muhammadian) There are newspapers in Arabic and Persian. So Arabic and Persian won't be understood.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That after sub-clause (2) of clause 16 of the Bill the following sub-clause be added

"(3) All rules made under this section shall be subject to the condition of previous publication which publication shall be made in the official Gazette and in at least two newspapers printed in a language other than English, and the date to be specified under clause (3) of section 23 of the General Clauses Act, 1897 shall not be less than two months from date on which the draft of the proposed rules was published."

The motion was adopted.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That clause 16, as amended, stand part of the Bill"

The motion was adopted.

Clause 16, as amended, was added to the Bill.

Mr. Deputy President (Mr Akhil Chandra Datta) The question is "That clause 2 stand part of the Bill"

Syed Ghulam Bhik Nairang: Sir, I move amendment No 4 on the Consolidated List. I have also given notice of a similar amendment in my own name. It runs thus

"That after sub-clause (4) of clause 2 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly

'(5) 'place of worship' includes an *imambara*, *dargah*, *karbala* or *takya*'

This is intended only to clarify the idea of protecting the places of worship. A place of worship is already defined and we further clarify it by saying that a place of worship also includes *imambara*, etc.

Mr. Deputy President (Mr Akhil Chandra Datta) Amendment moved.

"That after sub-clause (4) of clause 2 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly :

'(5) 'place of worship' includes an *imambara*, *dargah*, *karbala* or *takya*'."

Mr. J. D. Tyson: Sir, I have no objection to that amendment

Pandit Nilakantha Das: May I ask if it also includes the Hindu places of worship?

Mr. Deputy President (Mr. Akhil Chandra Datta) Yes, it includes all places of worship.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That after sub-clause (4) of clause 2 of the Bill, the following new sub-clause be inserted and the subsequent sub-clauses be re-numbered accordingly

'(5) 'place of worship includes an *imambara*, *dargah*, *karbala* or *takya* ''

The motion was adopted.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That clause 2 as amended stand part of the Bill"

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 1 was added to the Bill.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That the Title and the Preamble stand part of the Bill"

Pandit Nilakantha Das: Sir, I move

"That in the long Title of the Bill, for the words 'for purposes other than agricultural purposes' the following be substituted

'outside the Municipal limits of Delhi and New Delhi for the purpose of development along frontages of roads and of roadside areas and purposes connected therewith''"

'That in the Preamble to the Bill, for the words 'for purposes other than agricultural purposes' the following be substituted

'outside the Municipal limits of Delhi and New Delhi for the purpose of development along frontages of roads and of roadside areas and purposes connected therewith''"

Sir, my object in moving these two amendments is to make the Title and the Preamble specific. For purposes other than agricultural purposes this is quite independent, but according to the Statement of Objects and Reasons of the original Bill, there are two things for which this Bill is meant. The first is to develop roads and roadside areas, the other is to prevent brick fields and other things coming in so that malaria breeding mosquitoes and other disease carrying insects may not breed. Here "for the purpose of developing frontages of roads and roadside areas" covers what is intended in the first paragraph of Statement of Objects and Reasons. As to the second paragraph "purpose connected therewith", that will do for the specific section is there. If you develop the City, you concentrate upon developing the roads and roadside areas, and here our roadside area is so wide that it practically covers the entire town.

[Pandit Nilakantha Das]

or City, and if at a distance from where the mosquitoes and other insects come to the City the areas are not properly developed, then the development of frontages of roads and roadside areas will be practically useless. The City will not be developed, nor will there be any meaning in developing roads and roadside areas. So there is "for the purposes connected therewith". In the English Act only, the frontages of roads and roadside areas have been mentioned, but in the clause agricultural lands have been exempted just as in this Bill. So, there will be no difficulty if you simply say 'purpose connected therewith'. There is no difficulty in including the clause which prevents the brick kilns and other such excavations. By making the Title and the Preamble specific like this, you know that the Deputy Commissioner or the Chief Commissioner, whoever may give permission or withhold permission may know how to assign reasons and if it goes to any Court for compensation the whole thing may be considered again and therefore this Title and the Preamble will help the Court in judging the matter in considering whether the grounds are reasonable and whether the damage is properly assessed or the land value is properly fixed and so on Sir, I move.

Mr. Deputy President (Mr. Akhil Chandra Datta) Amendment moved

"That in the long Title of the Bill, for the words 'for purposes other than agricultural purposes' the following be substituted

'outside the Municipal limits of Delhi and New Delhi for the purpose of development along frontages of roads and of roadside areas and purposes connected therewith'"

"That in the Preamble to the Bill, for the words 'for purposes other than agricultural purposes' the following be substituted

'outside the Municipal limits of Delhi and New Delhi for the purpose of development along frontages of roads and of roadside areas and purposes connected therewith'"

Mr. J. D. Tyson: Sir, I should like to have met my Honourable friend's wishes over this, but I feel it rather dangerous. We cannot limit the scope of the Bill to the area outside the municipal limits of Delhi or New Delhi or to the roadside areas, for the reason that he has mentioned,—that a very important object of this Bill is to control all excavations, more particularly, brick fields. We may have to use these powers within the municipal area so far as brickfields go. I do not think the words 'purposes connected therewith' as applied to development along frontages of roads and roadside areas will give us those powers. I am afraid I must oppose these amendments.

Mr. Deputy President (Mr. Akhil Chandra Datta) The question is

"That in the long Title of the Bill, for the words 'for purposes other than agricultural purposes' the following be substituted

'outside the Municipal limits of Delhi and New Delhi for the purpose of development along frontages of roads and of roadside areas and purposes connected therewith'"

"That in the Preamble to the Bill, for the words 'for purposes other than agricultural purposes' the following be substituted

'outside the Municipal limits of Delhi and New Delhi for the purpose of development along frontages of roads and of roadside areas and purposes connected therewith'"

The motion was negatived

The Title and the Preamble were added to the Bill

Mr. J. D. Tyson: Sir, in moving

"That the Bill, as amended, be passed "

I have really nothing to say now on the merits of the Bill, but I should like to thank the House for the very businesslike and helpful way in which they have assisted me in piloting this measure Sir, I move

Mr. Deputy President (Mr. Akhil Chandra Datta) Motion moved

"That the Bill, as amended, be passed "

Mr. M. S. Aney: Sir, this Bill has now gone through without much difficulty and I am glad to find that my Honourable friend, the Education Secretary, was able to meet the wishes of the non-official Members of this House on many points. The Bill threatened at the beginning to be a controversial one but it was turned into a non-controversial measure and, therefore, there was not much difficulty in getting it passed here. I have only one observation to make and that is that we have laid down one principle here which I think is somewhat more comprehensive than one would like it to be. With regard to the phrase "person interested" the House has carried an amendment that a person will be deemed to be interested in a mosque, *imambara*, *dargah*, etc., "if he is a Muslim". What I want to bring out is this. I know that a place of worship is not the property of any particular individual, nor can it be allowed to be treated as the property of any particular family, so to speak. It is the community really that is interested in it and in its proper maintenance, but in my opinion the words "if he is a Muslim" carry matters rather too far. There should have been some territorial limit laid down, that the Muslim must belong to a place within the limits of the Delhi province or something of that kind. A person coming from Bokhara tomorrow cannot in any sense be interested in that place of worship, at least our legislation should have taken care to see that when we are dealing with certain kinds of property situated within the limits of Delhi province, the communal interest should be confined to residents within the limits of that territory who profess a particular religion. To allow any person living beyond the limits of that to come within the definition of "person interested" is to make that phrase too comprehensive. I have to say nothing particularly now so far as the amendment is concerned. I do not think that this is the proper way to allow an important point like that to be placed in any Act. It is giving a kind of legislative sanction to the widening, beyond reasonable limits, of the meaning of the term "person interested", which ought not to be done. That is all that I have to say about this point.

As regards the other points I am glad to find that most of the objections that were taken on this Bill and which were thought to be rather serious have been met and the Bill will I believe, be found in actual administration to be useful for the purpose which the authors had in view.

Syed Ghulam Bhik Nairang: Sir, I find that in piloting this Bill through this House my Honourable friend, the Education Secretary, was as good as his word. He told us yesterday that as far as the amendments were concerned he would have to stand firm and that he would make no sporting offers, but that he would show us what we talked of yesterday at great

[Syed Ghulam Bhik Nairang]

length, *viz*, sweet reasonableness Viewed as a whole I think the result of the whole thing has been very satisfactory and very successful. Mr. Tyson was able to meet us half way on the more important points connected with the Bill, and in the few instances in which he thought it necessary or advisable to stand firm we met him half way Anyhow we thought from the very beginning that as we had to deal with a gentleman of Mr Tyson's qualities we need not fear anything unfair to happen and the whole thing has been a matter of straight dealing and very frank exchange of views I must, therefore, offer my very warm congratulations to Mr Tyson on the way he has successfully carried through the measure with which he was entrusted

After having done so I must as in duty bound call attention to the very peculiar circumstances and the very peculiar way in which this measure was introduced and carried through It will be recalled that in the beginning when there was a motion for circulation tabled by one of my Honourable colleagues, it was urged that a measure of this kind which appeared most likely to affect the interests of the general public of Delhi province ought to be circulated at least in that province in order to elicit public opinion But it was pointed out by the Honourable Member for Education, Health and Lands that that would not serve any useful purpose and eventually the motion for circulation was negatived

[At this stage, Mr President (The Honourable Sir Abdur Rahim) resumed the Chair]

Anyhow, that stage has passed and the Bill is now, so far as this House is concerned, a measure which has been adopted by the House But as this measure really amounts to setting up practically an extra-mural municipality administered not by a body of elected members' corporation but by a single officer, the Deputy Commissioner of Delhi who will be, so to say, the corporation sole, I hope the rules which Government or rather the Chief Commissioner of Delhi is going to frame under section 16 of this Act will be such as to give general satisfaction to the public, that the way in which the powers vested in the Deputy Commissioner and the Chief Commissioner under this Act will be exercised shall be such as not in any way to prejudice any of the interests concerned, and, in practice, to be quite as thoroughly calculated to consider all valid rights and objections and interests as the proceedings under at least the Municipal Act This should be ensured so that it may not be said later on "Here is the result of a measure which was carried by a Government without allowing the public to know anything about it at the fag end of a Session of the Assembly It was rushed through in spite of the protests of the elected Members that it should be circulated and we were not allowed to have an opportunity of expressing our opinion." The way in which this law is going to be administered should be such as to leave no room for complaint

I do not know if my Honourable friend, Mr Aney, was very opportune in touching upon a point in the course of his speech in this third reading of the Bill about the definition of the word "interested", where the amendment passed in this House in speaking of persons interested about Muslims *wakfs* and places of worship lays down that in the case of such places of worship any Muslim will be an interested person The point

really is so difficult and so abstruse as to be incapable of satisfactory discussion in a short speech in the course of the third reading of the Bill. Otherwise, I would have ventured to put before the House some of the authentic views of the Islamic jurists on that point, but I assure the House and I assure my friend, Mr. Aney, that the amendment as passed represents correctly what is viewed in Islamic law as a person interested in a place of worship. There may be radical differences between the conception of a person interested in a place of worship under a system of religion which confines itself within the four corners of a particular country like the religion of our friends, the Hindus, and under the religion of a people who do not believe in any geographical limits or any racial distinctions and who say

*Chin-o-Arab hamara, Hindostán hamárā :
Muslim hain ham, Watan hui sard jahán hamárā*

China and Arabia are ours, India is ours, We are Muslims; the whole world is our motherland. The other day in the course of my speech on the Finance Bill when speaking of the mosques in Delhi which had been at one time confiscated by Government and later on restored to the Muslims, I explained how that act of so-called confiscation was absolutely illegal and unjustifiable and how there was utter absence of any ground for confiscation because the mosques neither belonged to the Emperor Bahadur Shah nor to the Muslim community of Delhi, nor to any community or person who had been guilty of any treasonable or rebellious conduct, and I said that any Muslim hailing from any part of the world had a right to use those mosques as much as any resident of Delhi. I explained that at length. Any how, this is a point which as far as I am able to think Mr. Aney need not have touched in the course of his speech.

Mr. M. S. Aney: I was right in touching upon it you may not like it, that is another matter

Syed Ghulam Bhik Nairang: You were not If you like to have a discussion on that point, you can have it with me on a more suitable occasion, but you were absolutely wrong

Mr. M. S. Aney: You may call it wrong, but there is nothing wrong in my raising that point

Syed Ghulam Bhik Nairang: Anyhow it was only incidentally raised by Mr. Aney during the course of his speech and, therefore, I replied to it in passing only it is not of course relevant to the stage of third reading. With these few words I support the motion that the Bill be passed.

Some Honourable Members: The question may now be put

Qazi Muhammad Ahmad Kasmi: Sir, it is only a few words that I want to say. I know that the Bill was brought at the fag end of the Session and I am speaking at the fag end of the day, and now that Honourable Members are preparing to depart from the scene of their labours and the work is almost over, I do not want to detain them any more. I would only thank the Honourable Member for having met us so far even.

[Qazi Muhammad Ahmed Kazmi.]

I do not wish to strike a note of discord at this time when we should be thanking each other and the authors of the Bill, Messrs. Tyson and Oulsiam, still I feel I must say before departing that the Honourable Member in charge of the Bill might reconsider his decision so far as the retention of proviso of sub-section 2 of section 7 is concerned and hope he will move an amendment soon in order to remove the great injustice caused by that proviso and be prepared to provide compensation in suitable cases and generally explore the position to remove the grievances. With these words I support the motion.

Mr. President (The Honourable Sir Abdur Rahim) The question is
"That the Bill, as amended, be passed."

The motion was adopted.

The Assembly then adjourned *sine die*.

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